



Deliverable 2 – Cost Baseline Analysis

Prepared by First Data Government Solutions, Inc. for
Virginia Department of Social Services
Business Process Reengineering Project
May 24, 2005

First Data Government Solutions, Inc.
11311 Cornell Park Drive, Suite 300
Cincinnati, OH 45242

TABLE OF CONTENTS

Table of Contents	ii
Appendix Table of Contents	iii
1. Executive Summary	1
1.1. Report Structure and Presentation	1
1.2. Approach	1
1.3. Scope of the Review	1
2. Background Information	2
2.1. Purpose	2
2.2. Presentation of Local Department Data	2
2.3. Scope of Analysis	4
2.4. Information Requested	4
2.5. Information Provided	7
2.5.1. Administrative Cost Data	8
2.5.2. Personnel Data	8
2.5.3. Case-based Data	8
2.5.4. Other Activity Measures	8
2.6. Information Not Provided	8
3. Current Operations Cost Baseline	10
3.1. Virginia Social Services Expenditures	10
3.2. Administrative costs	17
3.2.1. State VDSS Costs	17
3.2.2. Local Department Costs	18
3.2.2.1. Local Expenditures by Budget Line	19
3.2.2.2. Expenditure History	23
3.3. Staffing and Staff Costs	24
3.3.1. Analysis Methodology	25
3.3.2. Sources of Data	25
3.3.2.1. VDSS Commonwealth Offices	26
3.3.2.2. Classification of VDSS Positions	26
3.3.2.3. Local Department Information	26
3.3.2.4. Classification of Local Agency Positions	27
3.3.2.5. Personnel Cost Estimation for Local Agency Positions	27
3.3.3. Personnel Counts	28
3.3.3.1. VDSS Commonwealth Offices	28
3.3.3.2. Local Agency Personnel Counts	29
3.3.4. Estimated Salaries and Benefits	31
3.3.4.1. VDSS Commonwealth Offices	31
3.3.4.2. Local Agency	32
3.3.5. Training	33
3.3.6. Turnover	33

3.4. IT Infrastructure and Systems	35
3.5. Workload and Activity Measures	36
3.5.1. Caseload Statistics	36
3.5.1.1. Medicaid	37
3.5.1.2. Food Stamps	44
3.5.1.3. TANF	47
3.5.1.4. View Employment Services	50
3.5.1.5. Auxiliary Grants	51
3.5.1.6. Diversion Assistance and General Relief	53
3.5.1.7. Energy Assistance	56
3.5.1.8. Adoptions, Foster Care and Child Protective Services (CPS)	56
3.5.1.9. Child Care	62
3.5.2. Other Activity Measures	65
3.5.2.1. Fair Hearings and Appeals	65
3.5.2.2. Fraud Investigations	66
3.5.2.3. Regulation Changes	68
3.6. Service Delivery Measures	69
3.6.1. Application Processing Times	69
3.6.2. Staff Time Allocation (Random Moment Sampling)	71
3.6.2.1. Results By Program:	72
3.6.2.2. Results By Work Activity	73
APPENDIX	74

APPENDIX TABLE OF CONTENTS

Data Tables by Local Agency (Local Agencies sorted by FIPS number)

Table	Page
FY 2004 Administrative Costs by Local Agency and Function	A-2
2001 - 2004 Administrative Costs by Local Agency	A-2
2005 Personnel Counts by Local Agency and Function	A-10
2005 Personnel Costs @ Range Midpoint by Local Agency and Function	A-14
Medicaid/FAMIS Case Counts and Applications by Local Agency	A-18
FY 2004 TANF, TANF-UP, and VIEW Case Counts by Local Agency	A-23
FY 2004 Food Stamp and TANF Application Disposition by Local Agency	A-28
FY 2004 Food Stamp Error Statistics by Local Agency	A-33
FY 2004 Other Assistance by Local Agency	A-38
FY 2004 Foster Care and Adoption Service Expenditures by Local Agency	A-43
FY 2004 Child Care and Foster Care by Local Agency	A-48
FY 2004 Child Protective Services by Local Agency	A-53

COST BASELINE ANALYSIS

1. EXECUTIVE SUMMARY

1.1. REPORT STRUCTURE AND PRESENTATION

The Cost Baseline Analysis effort in Business Process Engineering is to collect and present operating cost information for current business processes, along with input and output measures of those processes. In the case of Virginia Social Services, the prime costs of concern are the administrative costs incurred in both the VDSS State operations and the Localities that provide benefits and services to Virginia citizens. The largest input to these business processes is the time, effort and expertise of qualified people. The primary output is delivered benefits and social services, where the volume of work is measured in terms of cases.

This report is primarily structured as a reference book that is a companion for the As Is document. Where the As Is report describes work processes and issues in the current Virginia Social Services System, this Analysis report provides the quantitative data as to the resources and people engaged in the processes, as well as the benefits and services delivered by those processes.

1.2. APPROACH

At the start of the BPR effort, First Data Government Solutions (FDGS) provided the Virginia team with a detailed data request. Upon discussion with project managers and other VDSS staff, it was agreed that for the purposes of this report, we would include data only for requested items that were readily available centrally from the Department of Social Services. The only request to Localities was that they update their personnel information on file with VDSS.

A VDSS research team was assembled, and provided data from a wide variety of sources. FDGS staff then collected the data, assembled the pieces from multiple sources and prepared this summary and the detailed tables in the appendix.

1.3. SCOPE OF THE REVIEW

As described above, this report is primarily structured as a data reference book, with explanations as to the sources, strengths and weaknesses of the information. Specific sections provide data on:

- Social Services Expenditures.
- Administrative Costs.
- Personnel Counts and Estimated Costs.
- Work Volume as measured by Case and Application Counts.
- Selected Administrative Process Activity.
- Other statewide measures as provided by VDSS.

Where data is available by local department, both statewide totals and a summary by local department size category are included in the report. Detailed tables of data by individual local department are included in the Appendix.

2. BACKGROUND INFORMATION

This section provides background information on the Cost Baseline Analysis deliverable for the Statewide Business Process Reengineering Project, and on the data incorporated into the deliverable.

2.1. PURPOSE

Cost Baseline Analysis is a critical support activity for Business Process Reengineering in that it provides a quantitative fact base to enlighten the team's understanding of current Virginia Social Services processes. The main goal is to develop a baseline picture of the inputs and outputs of these processes, to understand the level of resources used and the workload accomplished with the resources. In the case of Commonwealth of Virginia Social Services, the main input to the business processes is the time, effort and expertise of qualified people. This is measured both in terms of numbers of staff and in terms of administrative expenses. The primary output is delivered benefits and services, where the volume of work is measured in terms of cases.

To the extent feasible, it is desirable to collect other measures of input and output, particularly for overhead or support activities. Since Virginia Social Services is a locally administered system, it is very difficult to gather meaningful data for these ancillary measures across 120 local departments. As one can see from the data provided below, VSSS was only able to provide very limited ancillary data.

The data provided in this report is intended to guide the development of the To Be business processes, by providing concrete guidance about how and where Virginia Social Services spends its resources, and what drives those expenditures. As the team develops concepts for alternate business processes and considers the resources required to implement them, this data supports the team in evaluating the potential impacts of the proposed process changes.

2.2. PRESENTATION OF LOCAL DEPARTMENT DATA

To aid in understanding differences driven by the size of the local department organizations and processes, VSSS has assigned each local department by FIPS code to a size category grouping. These size category groupings are summarized as follows:

Social Services Local Department Size Categories

Size Category	Number of Local Departments	Number of Employees per Local Department*	Major Local Departments in Category
I	8	5 - 15	King William County New Kent County
II	28	10 - 20	Fluvanna County Galax Madison County Radford
III	63	20-100	Albemarle County Loudoun County Rockingham County Tazewell County
IV	11	75 - 160	Alexandria Arlington Charlottesville Henrico County Lynchburg Petersburg Shenandoah Valley
V	7	160 - 300	Chesapeake Chesterfield/Col Hgt Hampton Portsmouth Prince William County Roanoke City Virginia Beach
VI	4	300 - 700	Fairfax Newport News Norfolk Richmond City

* Note: These are NOT the official Human Resources criteria for size category. Rather, the number of employees shown is based on approved, but not necessarily filled, positions in the LETS system assigned to the local departments in those categories.

Beyond the main 120 Localities in the Commonwealth of Virginia, there are additional FIPS codes that appear in case-based data infrequently with relatively small numbers of cases. Most of these represent smaller cities and their data has been merged with the county agency to which they belong. The charts and data tables that are organized by size category group local department data according to the above size category designations, according to a table of current category assignments provided by VDSS.

As different degrees of personnel specialization are possible in small organizations compared with large ones, To Be business processes need to be flexible enough to accommodate any organization size in order to be implemented. Charts and data tables by Local Department Size Category give information and insight as to the level of activity and cost by organization size.

2.3. SCOPE OF ANALYSIS

Given that many local department organizations are small and quite lean on administrative support, the team confined most of the data gathering effort to data that was centrally reported and available within VDSS systems.

The team did request that the local departments update the LETS personnel system with current counts and positions, which happened with varying degrees of success – as noted in the Staffing section of this report. As the effort was a quick one, there was sometimes misunderstanding about the exact data required. Unfortunately, with such time constraints, there was not time to go back for additional updates. Known weaknesses in the personnel data for certain local departments are simply noted in this report. If they become an issue in reaching conclusions and recommendations, additional data can be gathered and the exhibits can be updated and republished.

2.4. INFORMATION REQUESTED

At the beginning of the BPR project, First Data Government Solutions provided the Virginia team with the following list of information items that would be desirable for use in the BPR effort. A VDSS research team then broke down the list and determined which data items or related data could be easily obtained by mining statewide records and systems. This document is based on the data provided by the VDSS research team.

Categories of Data	Types of data that contribute to baseline costs – Request Data for 00-01 through 03-04 by year
Commonwealth Personnel	<p>Number of people by Program.</p> <p>Number by Program by Function.</p> <p>How many layers in the Commonwealth hierarchy.</p> <p>Which positions at the Commonwealth deliver direct services to clients.</p> <p>For these provide the same information that would be provided for a County/Local Agency for all questions below.</p>
County/Local Personnel	<p>By County/Local agency, Number of people by Program.</p> <p>By County/Local agency, number by program by function.</p> <p>If workers are divided by specialty such as emergency services, adoptions, foster care, change reporting, fair hearings and overpayments, include that information.</p> <p>Typical number of layers by size of organization - small, medium, large.</p> <p>Turnover statistics by County/Local Agency by program.</p>
Policy-based	<p>Number of new regulations issued by the Commonwealth Annually, by program area.</p> <p>Typical number of drafts requiring review.</p> <p>Typical timeframe for implementation following release.</p> <p>Number of emergency regulations that require immediate implementation, by program area.</p> <p>Typical timeframe for regulation changes/updates to be available within the appropriate system.</p>

Categories of Data	Types of data that contribute to baseline costs – Request Data for 00-01 through 03-04 by year
	<p>Number of new regulations that typically require second or third changes in wording prior to implementation.</p> <p>Number of policy interpretations issued by the Commonwealth Annually, by program area.</p> <p>Number of signatures (review required) for issuance of new regulations – issuance of policy interpretations.</p> <p>Total Number of mailings from the Commonwealth to County/Local Agencies annually.</p>
Case-based	<p>Total number of cases by County/Local office.</p> <p>Total number of cases in the Commonwealth.</p> <p>Total number for each program by County/Local office – for the Commonwealth in total.</p> <p>Total number of households represented by the case count – unduplicated count by County/Local office by program.</p> <p>Applications registered by site, by County/local, by program.</p> <p>Interviews conducted by site, by County/local, by program.</p> <p>Approvals by site, by County/local, by program.</p> <p>Denials by site, by County/local, by program.</p> <p>Cases closed by site, by County/local, by program.</p> <p>Percent of case closures for "failure to provide information" by County/local office, by program.</p> <p>Changes processed by site, by County/local, by program.</p> <p>Notices mailed by site, by County/local office, by program.</p> <p>Number of payments by type - warrant, EBT, other by site, by County/local, by program.</p> <p>Error Rate by site, by County/local office, by program.</p> <p>Number of QC reviews by site, by County/local office, by program.</p> <p>Number of case reviews by site, by County/local office, by program.</p> <p>Number of fair hearing requests by site, by County/local office, by program.</p> <p>Number of fair hearing withdrawals by site, by County/local office, by program.</p> <p>Number of fair hearings claims denied by site, by County/local office, by program.</p> <p>Number of emergency responses by site, by County/local office, by program.</p> <p>Number of children in Permanency Planning by site, by County/Local office, by program.</p> <p>Standard workload factors used to measure performance by site, by County/local office, by program.</p> <p>Average timeframe by size of county/local area for conducting interviews by program.</p> <p>Average timeframe by size of county/local area for conducting a renewal by program.</p> <p>Average timeframe by size of county/local area for handling a change report by program.</p> <p>Average timeframe by site, by County/local, for processing.</p> <p>Case review methodology by program, by action, by County/Local Agency.</p> <p>Number of client lawsuits active and pending - individual or class</p>

Categories of Data	Types of data that contribute to baseline costs – Request Data for 00-01 through 03-04 by year
	<p>action – and cause.</p> <p>Number of on-call callouts by program, by County/Local agency.</p> <p>Number and type of client complaints by site, by County/local, by program.</p> <p>Number and type of federal sanctions by program.</p>
Process-based	<p>Total Number of forms and form types for Commonwealth.</p> <p>Total Number of forms and form types prescribed by Commonwealth for County/Local Agencies.</p> <p>Typical number of forms and form types developed by County/Local Agencies.</p> <p>Number of new forms developed annually by program.</p> <p>Number of forms removed annually by program.</p> <p>Number of forms printed annually by the Commonwealth, by County/Local Agencies.</p> <p>Mandated handling process for verification documentation.</p> <p>Degree of automation of verification documentation.</p> <p>From intake to benefit delivery - the number and types of handoffs between staff.</p> <p>Typical Number of days from registration to determination of eligibility by program.</p> <p>How many logging and tracking systems are maintained manually by County/local agency, by program, by function.</p> <p>How many logging and tracking systems are maintained manually by the Commonwealth, by program, by function.</p> <p>Time allocation reporting methodologies by County/Local agency, by program.</p> <p>Number of pieces of paper filed into case files by County/Local Agency by program.</p> <p>Number of third-party service provider contracts produced manually on an annual basis by County/Local agency by program.</p> <p>Number of third party service provider certifications and provider reviews conducted annually by County/Local office by program.</p> <p>Number of hours of protected time per week, per employee, by County/Local office, by program.</p>
I.T.-based	<p>Breakout of I.T. cost for I.T. Staff, I.T. Operations, I.T. facilities, Systems.</p> <p>Total I.T. cost by program.</p> <p>Total number of I.T. personnel.</p> <p>Number and types of systems by program.</p> <p>Number and types of systems by County/Local agency.</p> <p>Degree of integration or cross-functional availability of information.</p> <p>System availability by worksite.</p> <p>Number of workstations by worksite.</p> <p>Comparison of Number of workstations to staff by worksite.</p> <p>Number hours of training required by program by type of staff classification.</p> <p>Number of system changes annually by system and reason.</p> <p>Number of system changes in backlog by system.</p> <p>Commonwealth of currency of each system - by measuring the date</p>

Categories of Data	Types of data that contribute to baseline costs – Request Data for 00-01 through 03-04 by year
	of change order request against system changes implemented.
Training-based	Number hours of initial training by program for each class of employee. Number hours of ongoing training annually by program for each class of employee - other than new regulation. Number of hours of training related to new regulations for each class of employee. Number of training offerings for third party providers scheduled and tracked manually by County/Local Agencies.
Reporting-based	Number of reports filed annually by County/Local Agencies manually. Number of reports filed annually by the Commonwealth to Federal agencies annually.
Facility-based	Number of offices by type by each County/Local Area - total worksites. Number Staff by type in each County/Local Area - include program and systems. Total number of worksites. Age of facilities - e.g., functionality of facilities. Cost of each facility annually. Number of offices by location that provide the complete array of human services. Total square footage by County/Local office for file cabinets for active files. Total square footage by County/Local office for file storage of closed files. Total square footage by County/Local office for maintaining Manuals/Regulation Binders. Total square footage by County/Local office for storing/maintaining forms.
Performance based	Performance Area Targeted by County/Local agency, by program. Performance goals for each area targeted by County/Local agency, by program. Performance results for each area targeted by County/Local agency, by program.
Overall Administrative Costs	Total Administrative cost for the State department(s). Total Administrative cost for each County/Local Agency.

2.5. INFORMATION PROVIDED

Statewide records and information systems were able to provide a significant subset of the requested data, as follows:

2.5.1. Administrative Cost Data

Administrative cost information was provided from the financial accounting system, FAAS, and from the **L**ocality **A**utomated **S**ystem for **E**xpenditure **R**eimbursement, or LASER. The LASER system, in an accounting sense, functions as a sub-ledger for the main financial system. Only reimbursable expenses appear in the ledger that is rolled into the FAAS system, so there are local expenses that are not recorded in the data.

2.5.2. Personnel Data

Personnel data primarily comes from the LETS system, a VDSS personnel information system. A number of localities do not use the LETS system, so a significant amount of data was hand-entered into the analysis, based on local department submissions. In some cases the local department submission was not in a format where it could be easily incorporated, so there are a few localities not represented in the data. The strengths and weaknesses of the data for this analysis are discussed in the corresponding detailed discussion later in this document.

VDSS Commonwealth employee data comes from a central Human Resources system known as PMIS.

2.5.3. Case-based Data

VDSS was able to provide case counts for most of the VSSS programs, based on various statewide systems used for managing each program. Due to a transition in MMIS systems, the team did not receive full 2004 Medicaid case counts from the MMIS system in time to incorporate them into this document. Instead this document relies on case counts from the ADAPT system, which do not include certain aid categories (see discussion below). In most cases, if a benefit or services program is not in ADAPT, it has its own unique IT system for management, which generally does not share any information with other programs. This means that in general, case counts across programs are duplicated counts, as well as case counts across Medicaid aid categories. Today's program-focused systems do not provide the Commonwealth of Virginia with the ability to uniquely identify all of the programs and services used by specific recipients or families.

2.5.4. Other Activity Measures

Among other information, the VDSS research team provided two other significant sets of data:

- *Policy Change Information* – Information on the number and nature of policy changes that had to be implemented in the organization in the last year.
- *Random Moment Sampling* – Virginia uses random moment sampling in the local department offices to understand how much staff time is spent with various programs and activities. While the primary usage of the data is for cost allocation at the State level, it also provides “statewide average” information as to relative time allocations in the local social service offices.

2.6. INFORMATION NOT PROVIDED

Very little of the requested data was centrally available or provided in the following categories:

- Process-based
- Training-based

- Reporting-based
- Facility-based
- Performance-based

Central **Information Technology** information was provided to the technical member of the BPR team, and is included in the As Is deliverable. Central IT staffing and staff costs are provided in the Staffing section of this report. Some local IT information was gleaned from local department interviews, and some Local IT personnel are visible in LETS. The team did not have a way to easily obtain Local IT spending data across all 120 local departments.

Again, the purpose of this report is to provide the BPR team with an administrative cost and cost driver reference guide for use in thinking about To Be business process concepts. The intent is to include as much information as could be reasonably be delivered by the VDSS research team, without significantly impacting the limited administrative support available to the Local Departments. As additional information becomes significant to the BPR team's decision process, it can be developed by targeted studies or sampling on an as-needed basis.

3. CURRENT OPERATIONS COST BASELINE

The Commonwealth of Virginia spent \$1.77 Billion on Social Services, Benefits, and Administration in FY 2004. In addition, the State spent over \$3.4 Billion on Medicaid benefits in FY 2004, where the Virginia Social Services System manages eligibility of the recipients. A key theme in the BPR process is not only finding ways to improve the quality and timeliness of services, but also finding ways to be more efficient and better stewards of taxpayer resources.

3.1. VIRGINIA SOCIAL SERVICES EXPENDITURES

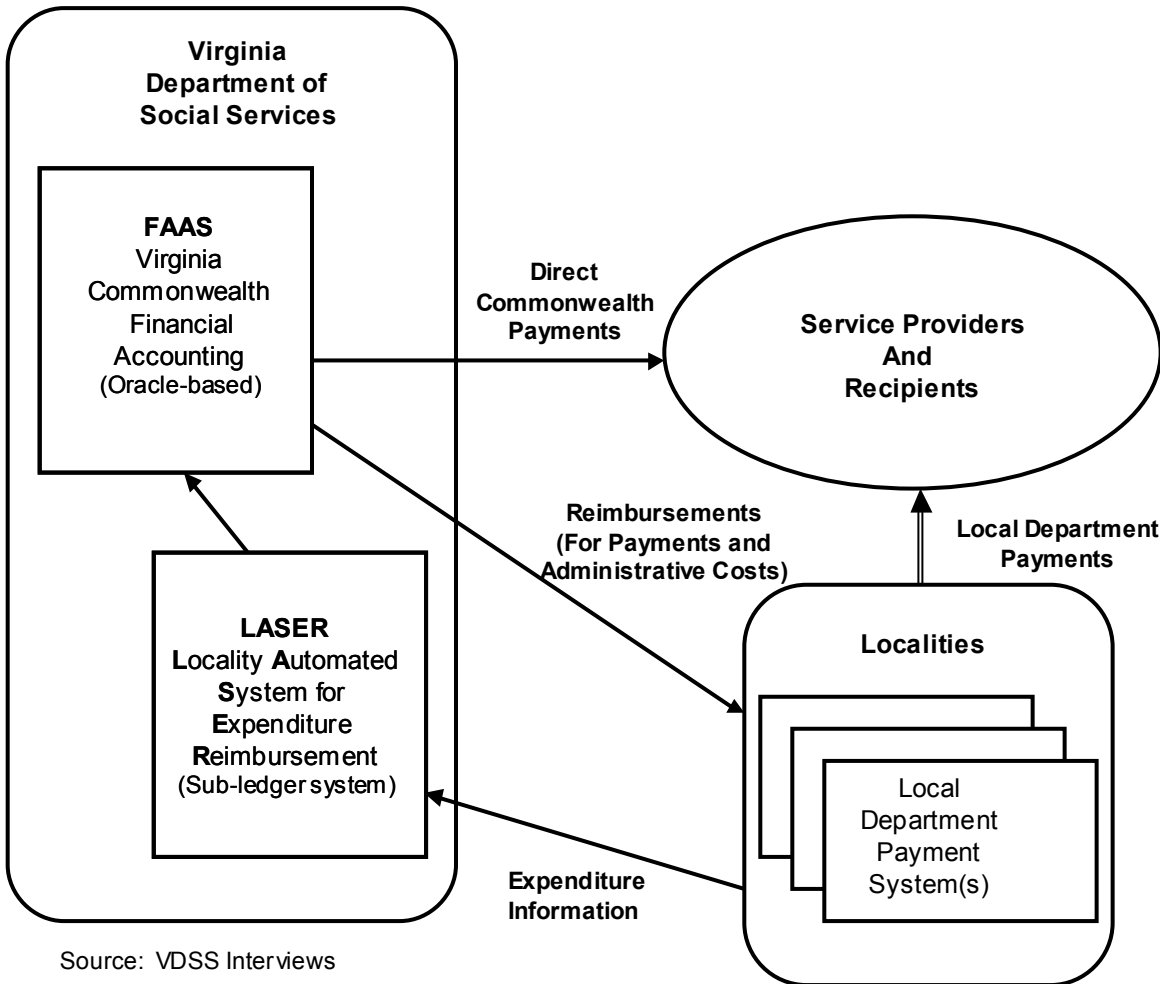
Virginia's centrally-supervised, locally administered Social Service System poses some unique challenges for understanding the whole picture of Social Service expenditures and administrative costs. These include:

- **Multiple payment streams** – The Provider and Recipient communities can receive payments directly from the State, through more than one Local Social Service office (if, for example, a Provider services more than one county), or, in the case of Medicaid benefits, from an entirely different State agency.
- **Multiple systems** – There are three levels of systems involved in the payment and reimbursement process:
 - **FAAS** – Virginia Financial Accounting system.
 - **LASER** – Local Agency Reimbursement system (acts as a sub-ledger to **FAAS**).
 - **Local Systems** – Local accounting systems that vary in size and sophistication depending on Local Department size and resources.

In addition, while VSSS manages Medicaid eligibility, Medicaid payments are managed by the Virginia Department of Medical Assistance Services, using a certified MMIS system.

A flow chart for Social Services payment information is shown on the next page.

Virginia Social Services Payment Flow



Each system has its own master tables for Providers and Recipients, without a common identifier. This means that it is nearly impossible to put together a comprehensive picture of the business that the Commonwealth of Virginia and the Localities do with each specific Provider on a systematic basis. However, such a picture would be useful for understanding service costs and negotiating competitive rates for services across categories of Providers.

Similarly, one today cannot systematically construct a non-duplicated list of recipients across benefit and service programs, together with all of the different benefits and services delivered to each recipient or each family unit (case). Such a picture would be useful overall family or recipient-focused case management.

The following analyses use compilations of data from multiple systems:

Included in the analyses -- In general, State payment information and VDSS administrative cost information come from the FAAS system. Reimbursed local department payment and administrative expense information, as well as some non-reimbursed local expenditure information come from the LASER system.

Not included in the analyses -- Local non-reimbursable social service expenditures not reported to LASER, are absent from this analysis. Similarly, while Medicaid eligibility determination costs are included in administrative expenses, Medicaid payments and payment administration costs (e.g. claims processing) are not included in this analysis as these are funded through the Department of Medical Assistance Services (DMAS).

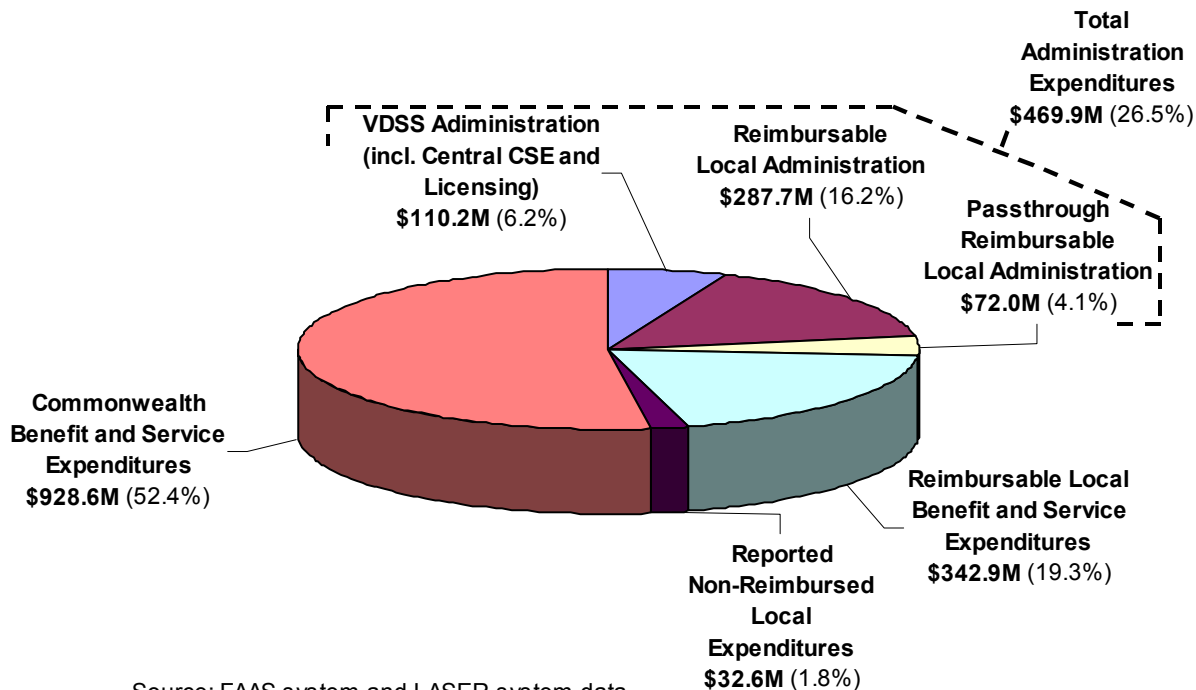
As shown below, FY 2004 Virginia Social Services expenditures for the whole Social Service system and benefits totaled **\$1,774 Million**. Of this total:

- **\$928.6 Million** represented direct State expenditures.
- **\$375.5 Million** represented Local Agency Service and Benefit costs, including **\$342.9 Million** that was reimbursable (average of **81%** reimbursement) and **\$32.6 Million** that was not reimbursable.
- **\$469.9 Million** (26.5%) represented total administrative costs of operating the Social Service system. Of this, **\$110.2 Million** was spent at the State VDSS level and the remainder was administrative costs of the 120 Local Departments.

2004 Virginia Social Services Expenditures

Total = \$1,774.0M (100%)

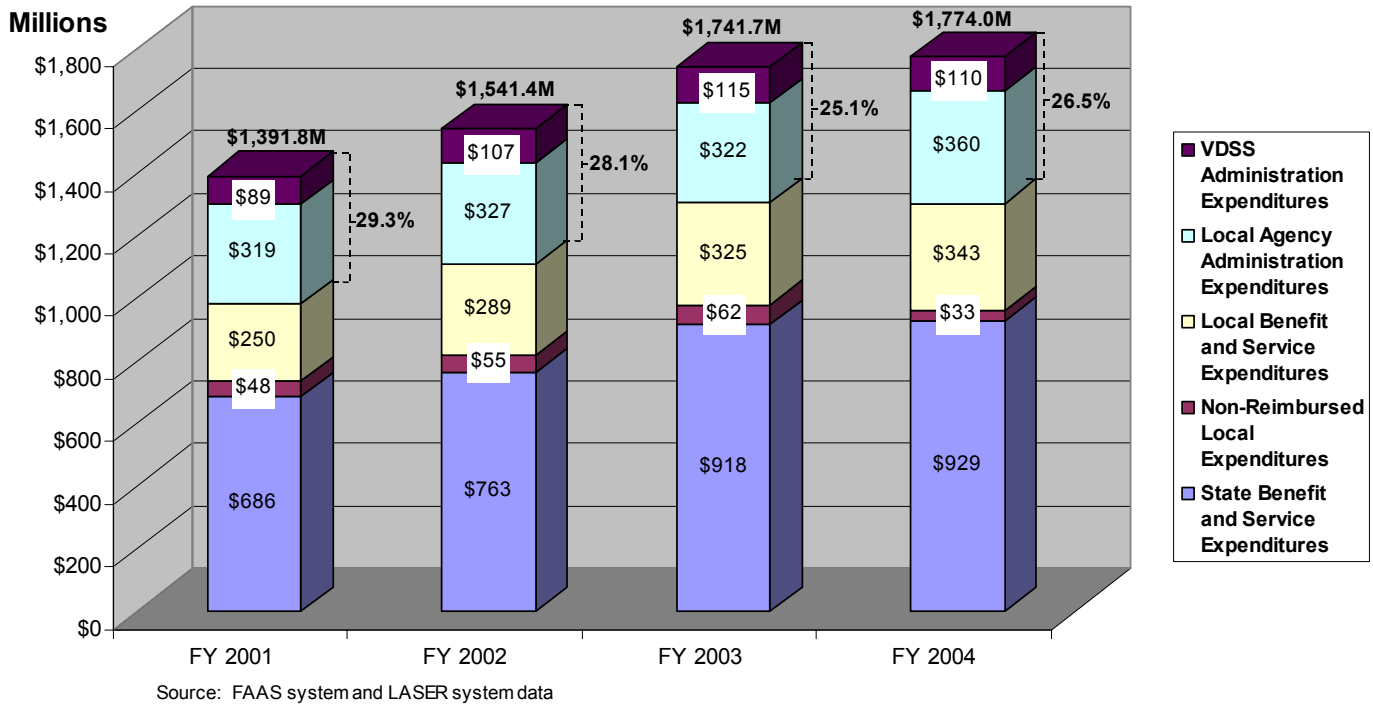
(\$1,741.4M - FAAS Expenditures; \$32.6M reported non-reimbursable)



As shown below, Social Service expenditures in Virginia have been growing steadily since FY 2001:

- Total expenditures have been growing at a compound rate of **8.4% per year**, although growth from 2003 to 2004 is a more modest **1.9%**.
- Administrative costs have been growing more slowly, at a compound rate of **4.8% per year**.
- Administrative costs as a share of total expenditures have declined from **29.3%** to **26.5%**, though 2004 levels represented an increase over 2003.
- With system investments over the last several years, VDSS administration costs have been growing more rapidly than local costs, at a compound rate of **7.3% per year**. However, 2004 costs represented a **4.2% reduction** compared with 2003.
- Reported non-reimbursed local expenditures saw a **47.3% reduction** in 2004 compared with 2003. It is not clear whether this represents an actual change in expenditures or a change in local department reporting.

Virginia Social Service Expenditures FY 2001 - 2004



The data table for Social Service expenditure history is below. Amounts are in US dollars.

Virginia Social Service Expenditures FY 2001 – FY 2004

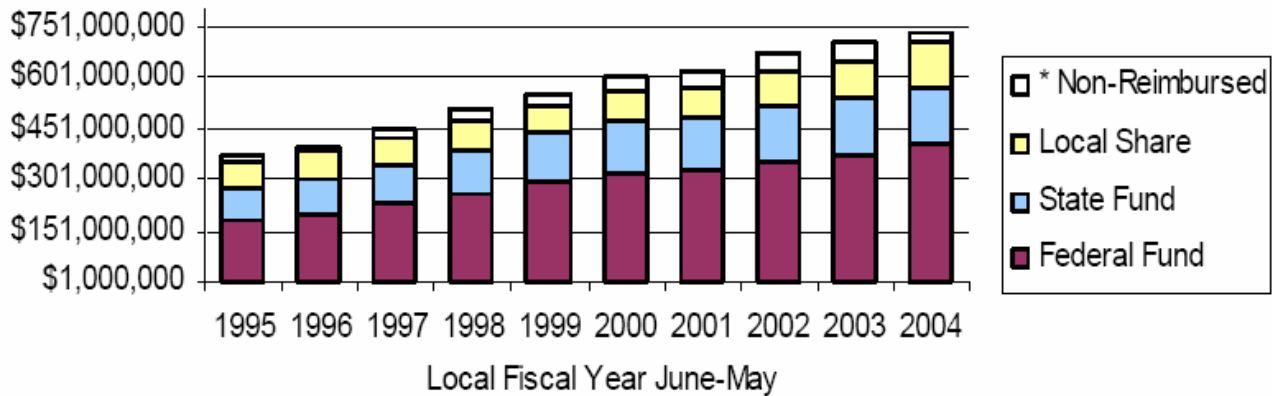
	FY 2001	FY 2002	FY 2003	FY 2004	Growth 2003 - 2004	Compound Growth 2001 - 2004
State Benefit and Service Expenditures	\$685,746,474	\$763,181,505	\$917,743,349	\$928,599,859	1.2%	10.6%
Non-Reimbursed Local Expenditures	\$48,060,975	\$55,442,002	\$61,899,640	\$32,606,545	-47.3%	-12.1%
Local Benefit and Service Expenditures	\$250,119,111	\$288,596,347	\$324,552,506	\$342,871,833	5.6%	11.1%
Local Agency Administration Expenditures	\$318,699,290	\$327,480,365	\$322,367,279	\$359,720,207	11.6%	4.1%
VDSS Administration Expenditures	\$89,217,851	\$106,773,252	\$115,108,231	\$110,225,256	-4.2%	7.3%
Total Social Services Expenditures	\$1,391,843,701	\$1,541,473,471	\$1,741,671,004	\$1,774,023,700	1.9%	8.4%
Total Administration Expenditures	\$407,917,141	\$434,253,617	\$437,475,510	\$469,945,463		
Administration Percentage of Total	29.3%	28.2%	25.1%	26.5%		

Sources: FAAS System Data; LASER System Data

Local Social Service expenditures and reimbursement levels are shown below. In general:

- **Local expenditures** have grown at a compound rate of **7.3% per year** from 2001 to 2004.
- As noted in the table above, **benefit and service expenditures** by localities have grown significantly faster at **11.1% per year** in the same period (2001-2004), while **local administrative costs** have only grown by **4.1% per year**.
- **Federal reimbursement rates** have remained pretty constant at **57-58%**, while **state reimbursement rates** have declined **from 27% to 24%**.

Local Expenditures 1995 - 2004



Source: VDSS Information Resource Book – 2005

Virginia Social Services Local Department Expenditures and Reimbursements FY 1995 – FY 2004

Local Fiscal Year - June - May	Federal Fund		State Fund		Federal and State (Reimbursed)		Local Share		Reimbursable Total	Non- Reimbursed	Grand Total
	Expenditures	Reimb	Expenditures	Reimb	Expenditures	Reimb	Expenditures	Reimb	Expenditures	Expenditures	Expenditures
1995	\$185,563,150	52%	\$90,286,384	25%	\$275,849,533	78%	\$78,876,523	22%	\$354,726,056	\$14,698,603	\$369,424,659
1996	\$200,637,512	52%	\$100,068,725	26%	\$300,706,236	78%	\$86,346,274	22%	\$387,052,511	\$12,626,898	\$399,679,409
1997	\$236,088,871	55%	\$106,907,950	25%	\$342,996,821	81%	\$82,713,377	19%	\$425,710,198	\$24,743,123	\$450,453,320
1998	\$260,844,964	55%	\$125,332,675	27%	\$386,177,639	82%	\$84,926,247	18%	\$471,103,886	\$33,775,179	\$504,879,065
1999	\$296,581,476	57%	\$140,907,619	27%	\$437,489,095	84%	\$81,753,813	16%	\$519,242,908	\$32,600,396	\$551,843,304
2000	\$321,167,803	57%	\$149,056,428	27%	\$470,224,231	84%	\$90,078,799	16%	\$560,303,030	\$42,377,446	\$602,680,476
2001	\$327,867,746	58%	\$152,078,197	27%	\$479,945,943	84%	\$88,872,459	16%	\$568,818,401	\$48,060,975	\$616,879,376
2002	\$355,638,350	58%	\$162,364,143	26%	\$518,002,493	84%	\$98,074,219	16%	\$616,076,712	\$55,442,002	\$671,518,714
2003	\$372,967,859	58%	\$171,371,371	26%	\$544,339,230	84%	\$102,580,555	16%	\$646,919,785	\$61,899,640	\$708,819,424
2004	\$402,184,534	57%	\$166,588,360	24%	\$568,772,894	81%	\$133,819,146	19%	\$702,592,040	\$32,606,545	\$735,198,585

Source: VDSS Information Resource Book – 2005

3.2. ADMINISTRATIVE COSTS

Administrative costs for Virginia Social Services can be examined from two different perspectives:

- **Statewide** point of view – In this point of view, all staff and operational costs of the VDSS and Local Department organizations that contribute to the delivery of Social Services are “administration costs”. This is the view of costs from the funding perspective.
- **Local** point of view – This is the point of view of a Local Department manager that has some resources dedicated to benefit delivery, some dedicated to service delivery, and some shared management and administration costs. From this operational point of view, the shared or “joint” costs represent “administration costs” for the local operation.

The exhibits and tables in this section and in the Appendix attempt to address both points of view. **State VDSS costs** come from the FAAS system, and are organized roughly by department. An allocated cost for the operation of the ADAPT system used by VSSS (central and local offices) is also shown.

Local Department data comes from a combination of FAAS and LASER system data. The individual tables that show information for the 120 localities are quite large and long. Therefore, the body of this document contains only a summary of local department information by size category. The detailed tables showing the 120 local departments underlying the summary are included for reference in an Appendix.

3.2.1. State VDSS Costs

Commonwealth office VDSS operating costs are listed below. The cost detail table excludes Child Support Enforcement (CSE), which is outside of the scope of this BPR effort. Since Child Support Enforcement statewide includes over half of VDSS employees, the totals shown for administrative costs in the table are substantially less than total VDSS costs. The table also excludes Licensing Program costs in regional offices.

Observations include:

- **ADAPT System Operating Charges** – VDSS began receiving ADAPT charges in FY 2002. The addition of the ADAPT charges is the largest single change in expenditure level in the last four years.
- **Public Information** – This line item also first appeared in 2002, and together with a substantial increase in General Services charges accounts for much of the additional growth in spending beyond ADAPT charges.
- **Overall costs dropped 6.1% in FY 2004** in spite of increases in benefit and services payments, as well as Benefit Programs and Family Services Administration costs. Areas accounting for the **decrease** are: **Computer Services, Human Resources, Regional Support and Training, and General Administration.**

**Virginia State VDSS Operating Costs
FY 2001 – FY 2004**

Department or Subaccount	FY 2004	FY 2003	FY2002	FY 2001	% Growth 2003-2004
47901 General administration	\$1,808,941	\$2,878,024	\$2,641,824	\$4,216,035	-37.1%
47902 Computer Services	\$27,054,308	\$31,719,584	\$32,696,248	\$31,636,541	-14.7%
47903 Finance	\$3,938,330	\$3,936,110	\$4,057,030	\$3,332,585	0.1%
47914 Human Resource Management	\$1,567,857	\$1,886,228	\$2,671,471	\$2,580,565	-16.9%
47916 Planning and Evaluation	\$715,980	\$610,502	\$1,135,672	\$1,177,676	17.3%
47918 General Services	\$2,869,460	\$1,702,108	\$1,540,003	\$1,621,402	68.6%
47919 Public Information	\$1,751,879	\$1,590,859	\$1,830,159	\$0	10.1%
47929 Financial and Operational Auditing	\$3,966,531	\$3,167,164	\$3,460,845	\$4,334,935	25.2%
45101 Regional Support and Training	\$8,630,877	\$10,057,695	\$9,496,076	\$5,836,491	-14.2%
45102 Benefit Programs Administration	\$14,923,508	\$13,088,805	\$8,091,283	\$5,723,723	14.0%
45103 Family Services Administration	\$4,563,337	\$4,266,007	\$3,949,470	\$3,867,514	7.0%
46003 ADAPT Operating Charges (VITA)	\$11,220,964	\$12,008,087	\$8,710,607	\$0	-6.6%
56101 Licensing Programs (Central office admin only)	\$2,306,211	\$3,912,629	\$2,204,369	\$1,795,193	-41.1%
TOTAL	\$85,318,185	\$90,823,801	\$82,485,057	\$66,122,661	-6.1%

Source: FAAS system data

Not Included: Child Support Enforcement

3.2.2. Local Department Costs

Local Social Services administration costs are submitted by the 120 Local Agencies into the LASER system, which manages the Federal and Commonwealth reimbursements for local costs. These costs then roll-up to five main budget lines in the FAAS general ledger system:

- **Eligibility Administration** – Direct costs for personnel and support engaged in Benefit activity.
- **Eligibility Passthrough** – These are Benefit administration costs over and above those that can receive Commonwealth matching funds, but where Federal matching funds can be pulled down and “passed through” to the localities.
- **Service Administration** – Direct costs for personnel and support engaged in Social Service delivery activity.
- **Service Passthrough** – These are Service administration costs over and above those that can receive Commonwealth matching funds, but where Federal matching funds can be pulled down and “passed through” to the localities.
- **VIEW Employment Services** – A specific budget line for VIEW program administration.

The local departments also report a long account list of shared costs ranging from Management (e.g. the Director’s salary), to shared clerical costs, to building rent, to paper and office supplies. These shared costs are called **Joint Costs** and a substantial portion of them is reimbursable. Also, from the point of view of a Local Department Director, these Joint Costs can be viewed as the cost of administration of the local operations. The ratio of joint costs to total costs for a local department is therefore a useful measure of overhead for local operations; however, each of the local departments has its own rules for what constitutes a Joint Cost. One cannot use Joint Cost as a percentage of Total Cost as a means of comparing one local department with another;

however, a local manager can use joint cost as a measure within a given local department over time.

The FAAS system takes the total of the Joint Costs for each local department and allocates it proportionally to each of the five administrative cost budget lines in the FAAS system. Thus the sum of the budget line totals from the FAAS system is inclusive of local department Joint Costs. In order to derive the charts and tables in the presentation and the appendix, the **Joint Costs were backed out of the budget line costs**, so that they could be **shown separately**.

Child Care administration (about \$11 Million in FY 2004) and FSET administration (about \$4 Million in FY 2004) are not included in the costs shown below, and are treated as Service and Benefit Expenditures in the expenditure charts and tables shown above.

3.2.2.1. Local Expenditures by Budget Line

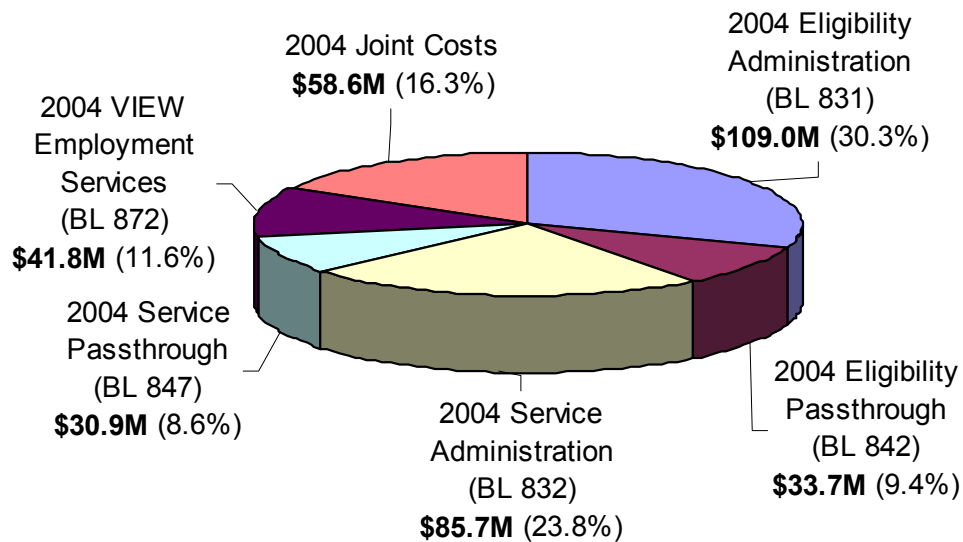
Administration expenditures for the 120 Local Departments in FY 2004 from the FAAS system are shown below. Findings include:

- **Eligibility costs** are the largest component, representing **39.7% of expenditures**.
- **Services costs** are smaller, representing **32.4% of expenditures**.
- **Joint costs** (overhead) represent **16.3% of expenditures**, on average.

A table that shows budget line expenditures for each of the 120 local agencies is included in an Appendix. This can be used to compare individual Local agencies with the system average shown below.

2004 Local Agency Administration Expenditures

\$359.7M (100%)



Source: LASER system data

To aid in understanding differences driven by the size of the Local Department organizations and processes, VSSS has assigned each Local Department by FIPS code to a size category grouping. These size category groupings are summarized as follows:

Social Services Locality Size Categories

Size Category	Number of Localities	Number of Employees per Locality*	Major Localities
I	8	5 - 15	--
II	28	10 - 20	--
III	63	20-100	Albemarle County Loudoun County Rockingham County Tazewell County
IV	11	75 - 160	Alexandria Arlington Charlottesville Henrico County Lynchburg Petersburg Shenandoah Valley
V	7	160 - 300	Chesapeake Chesterfield/Col Hgt Hampton Portsmouth Prince William County Roanoke City Virginia Beach
VI	4	300 - 700	Fairfax Newport News Norfolk Richmond City

*Note: These are based on approved headcounts in each local agency with its current category assignment, not the official HR criteria for assigning size category. That is why some of the categories overlap.

The charts and data tables below group locality data according to these size category designations.

Size Category IV, V, and VI Joint Cost percentages are low because the following major departments do not submit Joint Costs separately:

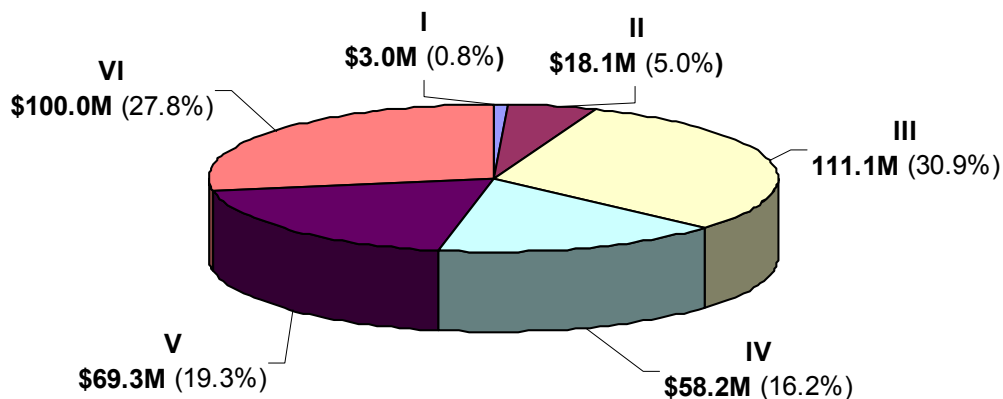
- **Fairfax**
- **Prince William County**
- **Alexandria**

Since these are large local departments, the average joint cost overhead measure is lower than expected for the total and for Size Categories IV, V and VI.

Local Agency Administration Expenditures by Local Agency Size Category

(I is smallest; VI is largest)

\$359.7M (100%)



Source: LASER system data

2004 Local Department Administrative Expenditures by Size Category

Locality Size Category	2004 Total Admin. Costs	2004 Eligibility Admin. (BL 831 Less Joint)	2004 Eligibility Passthru (BL 842 Less Joint)	2004 Service Admin. (BL 832 Less Joint)	2004 Service Passthru (BL 847 Less Joint)	2004 VIEW Empl. Services (BL 872 Less Joint)	2004 Joint Costs
I	\$3,018,892	\$1,032,754	\$172,061	\$686,595	\$73,947	\$175,623	\$877,912
II	\$18,064,845	\$6,002,195	\$1,414,691	\$4,069,082	\$668,006	\$1,392,130	\$4,518,741
III	\$111,147,867	\$35,903,326	\$9,502,931	\$28,618,021	\$6,174,328	\$12,370,413	\$18,578,848
IV	\$58,169,245	\$18,095,380	\$5,620,963	\$16,237,909	\$3,815,437	\$7,133,541	\$7,266,014
V	\$69,303,016	\$19,923,955	\$7,385,931	\$15,129,183	\$5,094,638	\$10,475,066	\$11,294,243
VI	\$100,015,842	\$28,034,825	\$9,570,023	\$20,999,499	\$15,109,763	\$10,222,776	\$16,078,955
Total	\$359,719,706	\$108,992,434	\$33,666,600	\$85,740,290	\$30,936,120	\$41,769,549	\$58,614,713

Source: LASER system data

Size Category	2004 Joint Cost % of Total
I	0.8%
II	5.0%
III	30.9%
IV	16.2%
V	19.3%
VI	27.8%

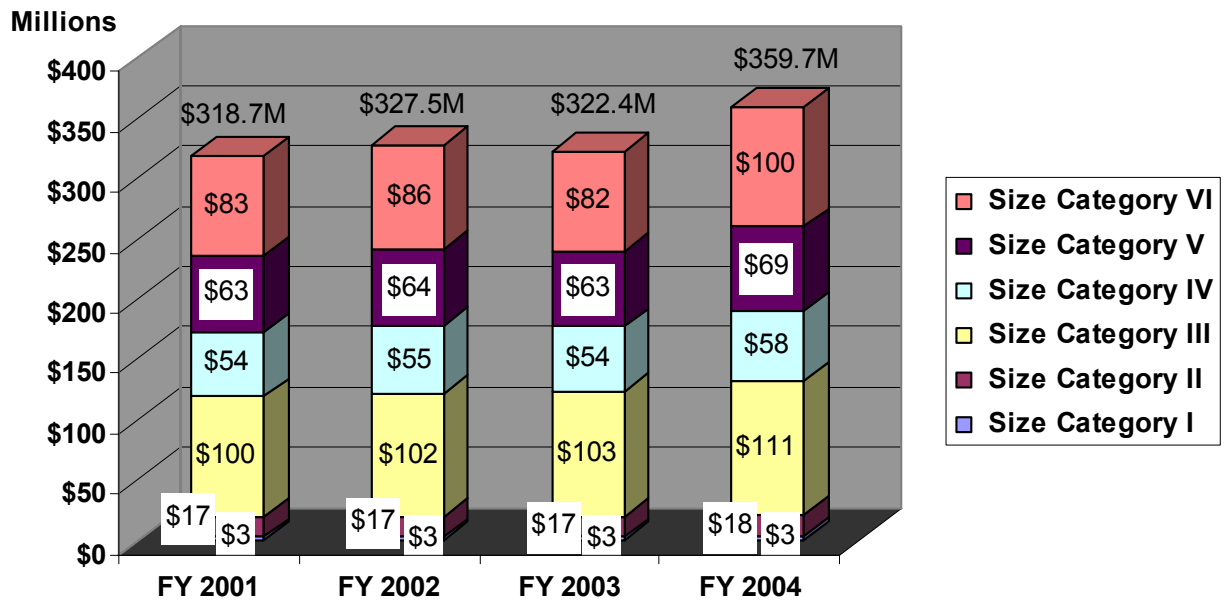
3.2.2.2. Expenditure History

Administration expenditure history for FY 2001 through FY 2004 by size category is shown below. Generally:

- Administrative expenses as a whole are growing more slowly than overall expenditures (which are growing at 8.2% per year).
- There has been substantial growth in Size Category VI spending in 2004 over 2003 levels, driven mainly by significant reported expense growth in:
 - **Fairfax** **45.2%**
 - **Newport News** **13.3%**
 - **Norfolk** **19.1%**
 - **Chesterfield/Colonial Heights** **15.1%**
 - **Prince William County** **10.2%**
 - **Alexandria** **24.4%**

The administration expenditure history for Local Departments is summarized by Size Category in this report. A full table of totals for FY2001 through FY 2004 by Local Department is provided in the Appendix.

Local Agency Administrative Expenditures by Local Agency Size by Fiscal Year



Source: LASER system data

FY 2001 – FY 2004 Administrative Cost History by Agency Size Category

Size Category	2004 Total Administrative Costs	2003 Total Administrative Costs	2002 Total Administrative Costs	2001 Total Administrative Costs	Growth 2003 - 2004	Compound Growth 2001 - 2004
I	\$3,018,892	\$2,837,984	\$2,854,493	\$2,801,579	6.4%	2.5%
II	\$18,064,845	\$17,129,177	\$16,976,681	\$16,634,810	5.5%	2.8%
III	\$111,147,867	\$102,765,973	\$102,210,144	\$99,500,124	8.2%	3.8%
IV	\$58,169,245	\$54,322,731	\$55,332,595	\$53,794,476	7.1%	2.6%
V	\$69,303,557	\$63,136,688	\$63,671,800	\$62,743,262	9.8%	3.4%
VI	\$100,015,842	\$82,174,725	\$86,434,651	\$83,225,038	21.7%	6.3%
Total	\$359,720,247	\$322,367,279	\$327,480,365	\$318,699,290	11.6%	4.1%

Source: LASER system data

3.3. STAFFING AND STAFF COSTS

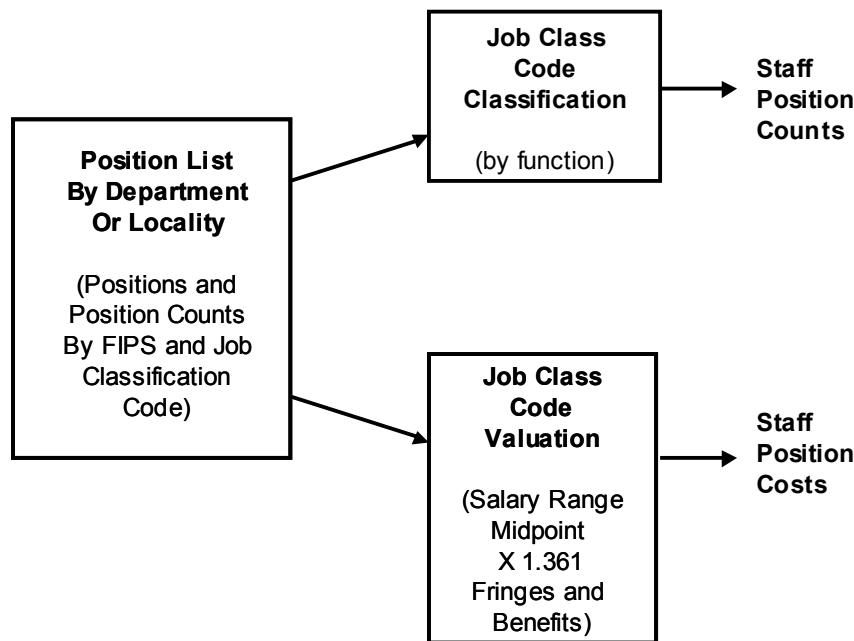
Staffing and staff costs are the primary input to the operating and administrative processes and cost of VSSS operations, both at the State and the local department level. Effecting process change in Social Services requires understanding the people involved in Social Service delivery, and providing staff at all levels with the best methods, systems and support possible for doing their jobs.

This report provides statistics as to numbers of employees by job category, as well as personnel cost estimates based on salary range midpoint, plus benefits. The intent of the analysis is not to try to estimate actual personnel costs, as for many localities the assumption of salary range midpoint yields numbers that are 20-25% higher than total administrative cost for the same local department. Rather, the cost analysis is to provide a baseline salary and benefit estimate for the existing mix of positions and roles, using common assumptions for valuing each position opening. Then if To Be processes require a different mix of skills and positions, one can estimate relative costs of the new mix, and use the ratio to estimate changes to actual costs.

3.3.1. Analysis Methodology

The basic personnel data analysis methodology (see graphic below) is to start with a list of positions by job code and VDSS department or local department FIPS and classify the positions by general function for the purposes of summarizing the data. Then staff costs were estimated by applying salary range midpoint to each position, and multiplying by 1.361, which is the VDSS budgetary assumption for the cost of fringes and benefits.

Personnel Analysis Methodology



3.3.2. Sources of Data

Most of the data for this analysis was provided by the research team from the statewide LETS human resource management system. A basic table of positions by local department FIPS and table of position codes and salary ranges came directly from the LETS system. Note that the table provided by VDSS includes "approved" positions, both filled and open. This considerably overstates staff size because positions may be "approved" long in advance of funding being

approved to fill them. In a sense the LETS position count represents the staffing each agency would like to have based on their work load, instead of the actual number of positions funded. Further, with system-wide turnover of about 15% per year, at any given time, a significant number of funded positions are vacant.

3.3.2.1. VDSS Commonwealth Offices

In order to get departmental detail, a paper VDSS manning chart from PMIS was manually tabulated and added to the Position List. Over half of VDSS employees are performing Child Support Enforcement from central and regional offices in the State; however Child Support Enforcement is outside of the scope of the BPR project, so it is not included in this summary for BPR. The VDSS departmental breakdown allows the analysis tables to focus on the departments and functions that are included in the BPR effort.

3.3.2.2. Classification of VDSS Positions

For the purposes of summarizing the VDSS positions, the following categories were used:

- **Management** – Job positions including “Manager” or “Director” in their title.
- **Professional** – Job positions directly involved with defining or managing programs (e.g. Program Admin Specialist, Policy Planning Specialist)
- **Information Technology** – IT-related job positions, including technical positions that report to departments other than IT.
- **Administrative** – All other positions, including professionals in support functions such as Finance.

3.3.2.3. Local Department Information

Most of the readily accessible data on personnel positions, classifications and costs for Virginia Social Services is maintained in the LETS personnel system; however a number of localities have their own Human Resource Management systems and do not use LETS.

For the purposes of this analysis, some local department data came from about 20 agency-provided files that were manually added to the data from LETS. There were also about four files that could not be used, because they did not provide the position codes that could be used to tie them into the analysis with the rest of the data. Hence the following departments are missing from the data set used for this analysis:

- 041 CHESTERFIELD/COL HGT
- 103 LANCASTER
- 143 PITTSYLVANIA
- 630 FREDERICKSBURG

In addition, Norfolk’s data provided position counts by general function, but not by position title or code. Hence, while the overall position count is as provided, the classification and cost numbers for Norfolk are not well estimated by the model used in the analysis.

3.3.2.4. Classification of Local Agency Positions

For the purposes of summarizing Local Agency positions, the following categories were used:

- **Benefits (Direct)** – Job positions involved in delivery of benefit programs (e.g. Eligibility Worker).
- **Benefits Supervision** – Job positions involved in supervising delivery of benefit programs (e.g. Eligibility Supervisor).
- **Services (Direct)** – Job positions involved in delivery of service programs (e.g. Social Worker).
- **Services Supervision** – Job positions involved in supervising delivery of service programs (e.g. Social Work Supervisor).
- **Information Technology** – IT-related job positions, including technical positions that report to departments other than IT.
- **Administration** – All other positions, including professionals in support functions such as Finance. Positions where the description does not clearly indicate a different classification is appropriate default to administration.

This classification scheme is not ideal, in that one would like to be able to identify administrative and clerical positions, such as clerks, that are dedicated to benefit or service delivery. However, the raw position counts obtained from LETS for most of the local agencies do not support reporting this distinction, so these positions are counted as “administration”.

Submitted data for Fairfax County included positions for the Office for Children, as well as an onsite child care operation. As these are not included in the BPR study, these positions have been excluded from analysis.

3.3.2.5. Personnel Cost Estimation for Local Agency Positions

Most of the personnel cost estimation for Local Agencies are based on a table of standard reimbursable positions and ranges provided by VDSS. However, several of the larger agencies submitted data outside of LETS, and incorporating the data required two types of adjustments:

- **Non-standard positions** – Several agencies use different position codes and titles not present on the standard list. VDSS supplied a full list of agency job codes by FIPS that was used to value most of these positions. For a few instances the analyst had to match a standard position manually by similar title.
- **Deviated codes and salary ranges** – Several of the larger agencies used the “standard” job codes but with a different “Dev” (deviation) code and salary range, allowing for local variations in compensation levels. For instances where this was identified, the local salary range for the position was used. However, not all of the raw listings provided included “Dev” codes, so there may be some instances in the data where deviated salary ranges should have been used, and were not. This type of error will generally cause costs to be understated.

Personnel costs estimated by this model should NOT be used to try to explain actual administrative costs, as Local Agency totals for estimated personnel cost are often 20-25% above total administrative cost for specific Agencies. The team believes that much of the excess is due to the analysis model using “approved” position counts, but many of these open positions in LETS are not funded. Some agencies have been under a hiring freeze for several years. Also, with 15%

average turnover per year in VSSS, at any given time there are a lot of vacant positions and a lot of new people starting at the lower end of the ranges. Any model such as this one that assumes full employment at midpoint will overestimate costs. The statistical data is not presently available to determine what the appropriate assumptions should be for each job code that would give numbers close to actual costs.

Rather, the cost model is useful for setting a baseline of estimated cost for the current staff configuration using consistent rules. The BPR team can then estimate the cost of proposed new staff configurations using the same methodology, and evaluate proposed options on a comparable basis. Once the options have been narrowed down, a more detailed cost study can be performed as a part of the justification of follow-on projects.

3.3.3. Personnel Counts

Personnel counts as of April 2005 are shown in the charts and tables below.

3.3.3.1. VDSS Commonwealth Offices

Personnel counts for VDSS offices shown below exclude Child Support Enforcement, which is outside the scope of the BPR effort. Also, the manning chart from PMIS did not provide information about Contract positions or Temporary staff, which is a significant portion of VDSS staffing.

Of the remaining functions, the largest are:

- **Licensing (including regional offices)**– 160 positions (21.9%)
- **Information Systems** – 110 positions (15.0%)
- **Finance and Administration** – 104 positions (14.2%)
- **Family Services** – 93 positions (12.7%)
- **Benefit Programs** – 63 positions (8.6%)

VDSS Personnel Counts

Department	%	Total	Management	Administration	Professional	Information Technology
VDSS - COMMISSIONER'S OFFICE	1.5%	11	5	1	5	0
VDSS - APPEALS AND FAIR HEARINGS	1.8%	13	1	12	0	0
VDSS - AUDIT SERVICES	1.8%	13	4	5	4	0
VDSS - CHILD CARE AND DEVELOPMENT	3.1%	23	3	4	16	0
VDSS - HUMAN RESOURCE MANAGEMENT	2.9%	21	3	16	1	1
VDSS - INFORMATION SYSTEMS	15.0%	110	0	4	1	105
VDSS - REGULATORY, PUBLIC AFFAIRS, TRAINING	3.6%	26	3	19	3	1
VDSS - COMMUNITY SERVICE	1.1%	8	1	1	5	1
VDSS - FINANCE AND ADMINISTRATION	14.2%	104	21	57	19	7
VDSS - GENERAL SERVICES	1.8%	13	1	11	1	0
VDSS - BENEFIT PROGRAMS	8.6%	63	9	11	43	0
VDSS - FAMILY SERVICES	12.7%	93	8	18	58	9
VDSS - LICENSING	21.9%	160	3	24	132	1
VDSS - QUALITY MANAGEMENT	8.3%	61	10	14	37	0
VDSS - REGIONAL OPS & COMP SVCS	1.8%	13	4	4	5	0
TOTALS	100.0%	732	76	201	330	125
		100.0%	10.4%	27.5%	45.1%	17.1%

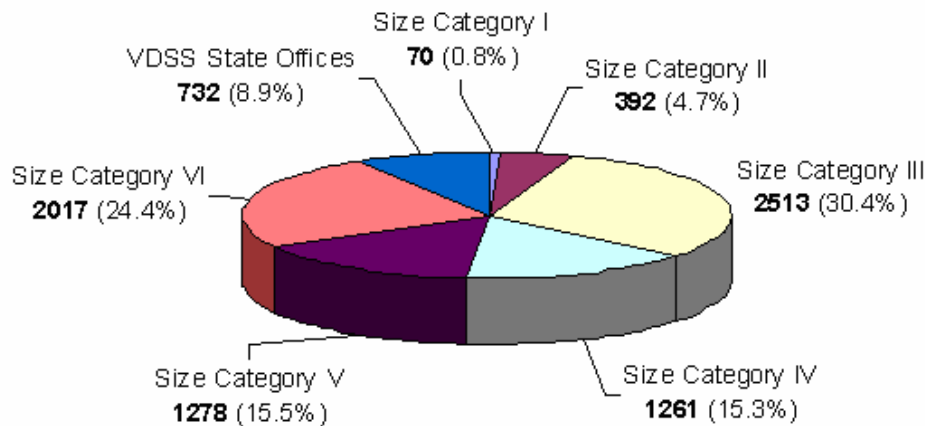
Sources: April, 2005 Manning Chart tabulation; PMIS system data

3.3.3.2. Local Agency Personnel Counts

Local Agency Personnel Counts are summarized in this report by Local Agency Size Category. A full table of personnel counts by Local Agency is included in the Appendix.

VSSS Personnel Counts by Local Agency Size

Total = 8263 Positions (100%)



Sources: LETS system data; local agency submissions; analysis

Local Agency-only Personnel Counts by Agency Size

Size	%	Total	Adminis- tration	Benefits (Direct)	Benefits Supervision	Information Technology	Services (Direct)	Services Supervision
I	0.9%	70	20	20	2	0	27	1
II	5.2%	392	111	101	17	0	149	14
III	33.4%	2513	564	706	93	10	1019	122
IV	16.7%	1261	233	294	52	8	613	61
V	17.0%	1278	270	298	45	7	599	59
VI	26.8%	2017	727	471	31	7	682	99
Total	100.0%	7531	1925	1890	240	32	3089	356
		100.0%	25.6%	25.1%	3.2%	0.4%	41.0%	4.7%

Sources: LETS system data; local agency submissions; analysis

3.3.4. Estimated Salaries and Benefits

Estimated personnel costs (salary and benefits @ range midpoint) as of April 2005 are shown in the charts and tables below. As explained above, due to the assumptions in the analysis, these numbers are primarily useful as a comparative tool for alternatives, rather than detailed prediction of actual costs.

3.3.4.1. VDSS Commonwealth Offices

Estimated personnel costs for VDSS offices shown below exclude Child Support Enforcement, which is outside the scope of the BPR effort. Of the remaining functions, the largest are:

- **Licensing (including regional offices)** – \$9.77M (19.2%)
- **Information Systems** – \$9.08M (17.9%)
- **Finance and Administration** – \$6.49M (12.8%)
- **Family Services** – \$6.40M (12.6%)
- **Benefit Programs** – \$4.67M (9.2%)

Staffing Costs @ Range Midpoint with Benefits

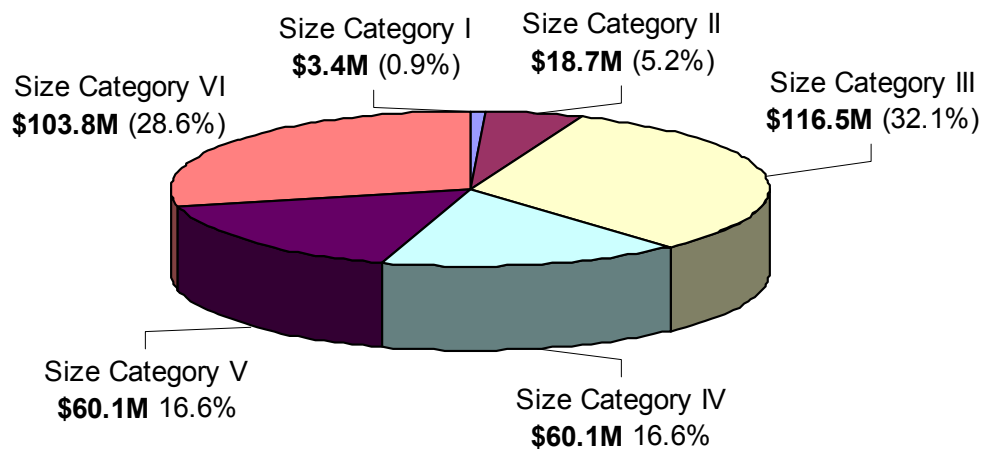
Department	%	Total	Management	Administration	Professional	Information Technology
VDSS - COMMISSIONER'S OFFICE	2.1%	\$1,046,518	\$601,448	\$39,835	\$405,235	\$0
VDSS - APPEALS AND FAIR HEARINGS	1.7%	\$888,665	\$99,767	\$788,898	\$0	\$0
VDSS - AUDIT SERVICES	2.0%	\$1,015,700	\$382,839	\$327,393	\$305,468	\$0
VDSS - CHILD CARE AND DEVELOPMENT	3.3%	\$1,680,514	\$299,300	\$159,340	\$1,221,873	\$0
VDSS - HUMAN RESOURCE MANAGEMENT	3.0%	\$1,528,019	\$329,872	\$1,022,013	\$76,367	\$99,767
VDSS - INFORMATION SYSTEMS	17.9%	\$9,081,724	\$0	\$159,340	\$58,456	\$8,863,927
VDSS - REGULATORY, PUBLIC AFFAIRS, TRAINING	3.6%	\$1,810,525	\$329,872	\$1,175,185	\$229,101	\$76,367
VDSS - COMMUNITY SERVICE	1.1%	\$579,894	\$99,767	\$39,835	\$363,925	\$76,367
VDSS - FINANCE AND ADMINISTRATION	12.8%	\$6,491,786	\$1,821,477	\$2,682,007	\$1,415,153	\$573,148
VDSS - GENERAL SERVICES	1.5%	\$779,202	\$76,367	\$626,468	\$76,367	\$0
VDSS - BENEFIT PROGRAMS	9.2%	\$4,669,064	\$928,472	\$456,807	\$3,283,784	\$0
VDSS - FAMILY SERVICES	12.6%	\$6,403,099	\$828,705	\$772,896	\$4,145,814	\$655,684
VDSS - LICENSING	19.2%	\$9,773,341	\$360,443	\$1,011,332	\$8,325,199	\$76,367
VDSS - QUALITY MANAGEMENT	8.0%	\$4,080,511	\$1,035,411	\$667,287	\$2,377,813	\$0
VDSS - REGIONAL OPS & COMP SVCS	2.0%	\$1,033,514	\$490,781	\$214,630	\$328,103	\$0
TOTALS	100.0%	\$50,862,075	\$7,684,522	\$10,143,268	\$22,612,658	\$10,421,627
		100.0%	15.1%	19.9%	44.5%	20.5%

Sources: April, 2005 Manning Chart tabulation; PMIS system data

3.3.4.2. Local Agency

Estimated Local Agency personnel costs are summarized in this report by Agency Size Category. A full table of estimated personnel costs by Local Agency is included in the Appendix. Please refer to the notes above for limitations on the data and its intended use.

Estimated Personnel Costs and Benefits at Range Midpoint by Local Agency Size Total = \$362.6M (100%)



Sources: LETS system data; local agency submissions; analysis

Cumulative Staffing Costs @ Range Midpoint by Locality Size Category

Size	%	Total	Adminis- tration	Benefits (Direct)	Benefits Supervision	Information Technology	Services (Direct)	Services Supervision
I	0.9%	\$3,362,258	\$1,016,202	\$848,737	\$104,257	\$0	\$1,336,050	\$57,012
II	5.2%	\$18,701,378	\$5,092,347	\$4,282,247	\$886,182	\$0	\$7,646,266	\$794,336
III	32.1%	\$116,536,763	\$24,161,512	\$29,695,914	\$4,847,936	\$501,555	\$50,395,688	\$6,934,158
IV	16.6%	\$60,097,143	\$9,430,545	\$12,604,356	\$2,759,128	\$421,592	\$31,340,630	\$3,540,886
V	16.6%	\$60,090,992	\$10,074,747	\$12,737,157	\$2,370,003	\$389,918	\$31,127,381	\$3,391,786
VI	28.6%	\$103,781,939	\$33,261,175	\$25,341,557	\$1,615,979	\$374,587	\$36,369,260	\$6,819,382
Total	100.0%	\$362,570,472	\$83,036,528	\$85,509,967	\$12,583,483	\$1,687,653	\$158,215,274	\$21,537,560
		100.0%	22.9%	23.6%	3.5%	0.5%	43.6%	5.9%

Sources: LETS system data; local agency submissions; analysis

3.3.5. Training

As noted above, data as to hours of monthly or annual training by role or job classification was not available on a centralized basis, and could not be provided by VDSS. However, training does show up in a number of observations in Random Moment Sampling data that was provided by VDSS. A discussion of the RMS data appears in the section on “Other Activity Measures” below.

Random Moment sampling indicates that:

- **3.6%** of direct **Benefits administration staff time** is spent on Training.
- **5.1%** of direct **Services administration staff time** is spent on Training.

3.3.6. Turnover

Social Service organizations are often characterized as having high employee turnover. The American Public Human Services Association published workforce survey results in 2004, updating earlier survey results from 2000. The report indicates that the results below had not changed very much since the earlier survey:

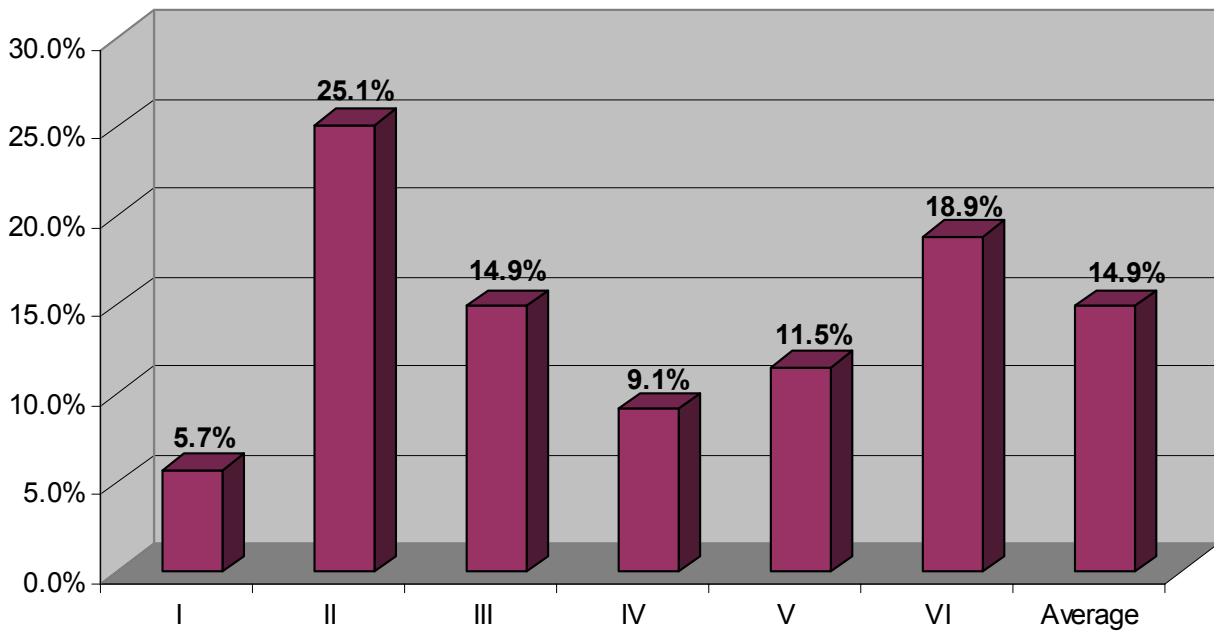
Category of Worker	Average Vacancy Rate (4/1/04)	Average Turnover Rate (2003)	Average Prevent-able Turnover Rate (2003)
Child protective service worker	8.5%	22.1%	12.6%
In-home protective service workers	9.9	15.1	6.5
Foster care and adoption workers	9.5	17.7	7.4
Multiple program workers	9.8	19.9	11.1
Front line supervisors	6.8	11.8	4.6

Source: APHSA Workforce Survey – 2004

VDSS provided a text turnover report for January through March 2005 that included the County Agencies and some of the larger cities. There is no way of knowing from the data received whether the first quarter of CY 2005 is typical or an anomaly. However, the data was manually tabulated with the personnel counts listed above, and then summarized by locality region and size. If the data is representative, it would suggest that:

- Virginia Social Services turnover is perhaps lower than APHSA survey averages, but typical of APHSA results.
- Turnover rates seem to be higher in the largest agencies and in some of the smaller agencies, while departments of between 75 and 150 employees seem to have the lowest turnover.

Annualized Personnel Turnover by Local Agency Size Category



Sources: LETS personnel data April, 2005; Jan-Apr 2005 turnover report

Annualized Personnel Turnover (Includes reporting Agencies only – 5606 out of 7531 approved positions in LETS submissions)

Locality Size Category	Staff Positions	Turnover Jan-Mar 2005	Annualized Turnover
I	70	1	5.7%
II	334	21	25.1%
III	2382	89	14.9%
IV	964	22	9.1%
V	626	18	11.5%
VI	1230	58	18.9%
Total	5606	209	14.9%

Sources: LETS personnel data April 2005; Jan-Apr 2005 turnover report

3.4. IT INFRASTRUCTURE AND SYSTEMS

Central information systems are discussed in the As Is report from the BPR team. Reported costs for VDSS-supported information systems are shown below. A substantial portion of costs (about **29%**) represents a cost allocation for the ADAPT system from VITA.

Virginia State VDSS Information Systems Costs FY 2001 – FY 2004

Department or Subaccount	FY 2004	FY 2003	FY2002	FY 2001	% Growth 2003-2004
47902 Computer Services	\$27,054,308	\$31,719,584	\$32,696,248	\$31,636,541	-14.7%
46003 ADAPT Operating Charges (VITA)	\$11,220,964	\$12,008,087	\$8,710,607	\$0	-6.6%
TOTAL	\$38,275,272	\$43,727,671	\$41,406,855	\$31,636,541	-12.5%

Source: FAAS system data

Information technology employment in VDSS is shown below, along with estimated staff salary and benefit costs, estimated using salary range midpoint. The information systems department positions are included in the Computer Services budget line above. The remaining information technology positions are included in their respective VDSS department management structure and budgets. Roughly **15%** of VDSS information technology employees **report directly to the operating departments** that they support.

Virginia State VDSS Information Technology Employment (As of March 2, 2005)

VDSS DEPARTMENT	POSITION COUNT	POSITION TITLE	CODE	TOTAL STAFF COSTS @ MIDPOINT PLUS BENEFITS
INFORMATION SYSTEMS	1	INFO TECHNOLOGY MANAGER II	39116	\$130,338
INFORMATION SYSTEMS	39	INFO TECHNOLOGY SPECIALIST III	39113	\$3,890,903
INFORMATION SYSTEMS	59	INFO TECHNOLOGY SPECIALIST II	39112	\$4,505,657
INFORMATION SYSTEMS	5	INFO TECHNOLOGY SPECIALIST I	39111	\$292,282
INFORMATION SYSTEMS	4	ADMIN & OFFICE SPECIALIST III	19013	\$159,340
INFORMATION SYSTEMS	1	COMPUTER OPERATIONS TECHN I	39011	\$44,747
INFORMATION SYSTEMS	1	POLICY PLANNING SPECIALIST I	19131	\$58,456
HUMAN RESOURCE MANAGEMENT	1	INFO TECHNOLOGY SPECIALIST III	39113	\$99,767
PUBLIC AFFAIRS	1	INFO TECHNOLOGY SPECIALIST II	39112	\$76,367
COMMUNITY SERVICE	1	INFO TECHNOLOGY SPECIALIST II	39112	\$76,367
FINANCE AND ADMINISTRATION	1	INFO TECHNOLOGY MANAGER I	39115	\$99,767
FINANCE AND ADMINISTRATION	2	INFO TECHNOLOGY SPECIALIST III	39113	\$199,533
FINANCE AND ADMINISTRATION	3	INFO TECHNOLOGY SPECIALIST II	39112	\$229,101
FINANCE AND ADMINISTRATION	1	COMPUTER OPERATIONS TECHN I	39011	\$44,747
FAMILY SERVICES	1	COMPUTER OPERATIONS TECHN I	39011	\$44,747
FAMILY SERVICES	8	INFO TECHNOLOGY SPECIALIST II	39112	\$610,937
LICENSING	1	INFO TECHNOLOGY SPECIALIST II	39112	\$76,367
TOTALS	130			\$10,639,463
SUBTOTAL – INFO SYSTEMS DEPT.	110			\$9,081,723

Source: VDSS Manning Chart tabulation; PMIS system data

While many of the local agency Social Service organizations also use and support information technology infrastructure and applications for local use, very little cost information about these systems and the resources to support them is available on a statewide basis. The analysis of LETS personnel data from the agencies did identify 32 Information Technology positions engaged in Social Services support, scattered in various local organizations across Virginia. However, we know from interviews that many of the Social Service organizations obtain IT support as a shared resource from their local government organization, so this count of staff resources is far from complete.

3.5. WORKLOAD AND ACTIVITY MEASURES

Another key area for Cost Baseline Analysis is to develop a quantitative understanding of the volume of work and type of work tasks that are performed by the Virginia Social Services operations in the delivery of services.

3.5.1. Caseload Statistics

Virginia Social Services commissioned a detailed study from Hornby Zeller and Associates (HZA) in 2000, to study work volume and set work standards for case types and subtypes as well as tasks involved in managing cases. HZA noted that obtaining reliable case counts in Virginia, particularly in Services (as opposed to Benefits), is “problematic” and some of the same issues in counting cases, and therefore work volume, still exist:

- **Data Collection** – Difficulty in getting statewide data from 120 localities, some using different systems. If there is no state payment tied to data entry, often data input is delayed or not performed simply because it represents time consuming work for the localities that has no value for them in delivering services.
- **“Stovepipe” systems** – Systems are built by program, and do not use a common individual identifier, so it is impossible to identify unduplicated cases that use multiple services. Within Medicaid, it is impossible to identify unduplicated cases where different members of the same family qualify in different aid categories.
- **Systems in Transition** – New or revised systems from OASIS to ADAPT, to the replacement of the MMIS system by the Department of Medical Assistance Services have tended to change the way statistics are counted over time, creating new challenges in obtaining comparable data.
- **Smaller Program Support** – Many of the smaller programs (e.g. General Relief) are still supported in old Mapper-based systems, while the technology direction in Virginia is to move away from supporting Mapper. Hence the level of technical capability and support for data requests from these older systems is declining over time.

Fortunately, for the purposes of BPR it is not necessary to get into the minutiae of case subtypes that HZA required for establishing time standards in 2000. Rather the case counts are used mainly as companion information with process flows in order to understand the volume of work that uses a particular process flow. Then as alternate processes are proposed, the team can use work volume measures to estimate possible savings.

3.5.1.1. Medicaid

Establishing definitive Medicaid case volumes by aid category proved problematic. The Department of Medical Assistance Services replaced the MMIS system for Virginia. The new system is oriented around “eligibles” – individuals that can receive assistance – instead of “cases”, as in the old system. The Division of Information Systems (DIS) is currently setting up a process for bringing data from the DMAS system into the Data Warehouse and building a process for case reporting from that data. Unfortunately, the technical work to make definitive case data available by Local Agency for 2004 did not complete in time for preparation of this deliverable.

In the absence of case data from DMAS, the VDSS Research department was able to provide Medicaid case data by Agency such as it exists in ADAPT. The ADAPT data is not as reliable because payments aren’t tied to it, and it excludes the Aged, Blind and Disabled, as well as Long-Term Care (LTC) aid categories. Hence the ADAPT data only represents part of the picture, but it represents a key part for which one can obtain counts by Local Department.

As the primary role of Virginia Social Services in Medicaid is determining eligibility, the best activity measures are of applications and dispositions. The MEDPEND system for tracking applications is used by many Departments, but not all. For most Agencies, the number of applications in the system is between 25 and 50% of the number of active cases in ADAPT. Several Departments show application counts of zero, and some show numbers far less than one would expect.

In order to generate realistic application statistics Local Agency Size, estimates for the nonuser or partial user Departments were generated as follows:

- Departments where application counts were less than 20% of case counts were flagged as “nonusers” of MEDPEND.
- Data for “users” of MEDPEND was summed to generate average ratios for the Commonwealth:
For every 1000 active Medicaid cases in a given agency’s caseload, the agency:
 - **Receives 302 applications** per year.
 - **Approves 203 applications** per year.
 - **Denies 100 applications** per year.
 - **Has 11 applications** assigned to **spend down**.
 - **Has 10 applications** with **other** dispositions.
- The averages were applied to the case counts for the “nonuser” Departments to generate estimates.
- The Departments for which the data was estimated are noted in the data table in the Appendix.

The resulting data with estimates gives a more complete estimate of Medicaid workload for the summaries of the Local Agencies as a whole, although the numbers may not reflect the actual picture in the specific Agencies for which the data is estimated.

The result of this situation is that the data below comes from four different sources at different points in time, and it may not be altogether clear exactly what is comparable and not comparable between them at a detailed level:

- DMAS system summary of “eligibles” as of April 1, 2005.
- VDSS Information Resource Book – 2005 (prepared January, 2005).
- ADAPT Medicaid Cases by Locality as of March 15, 2005.
- MEDPEND summary of FY 2004 applications and dispositions.

However, the sources do tell similar stories below. Summaries of Local Agency data by Agency Size Category are presented here. Detailed tables by Agency are in the Appendix.

3.5.1.1.1. *DMAS Information:*

Medicaid Eligibles by Aid Category

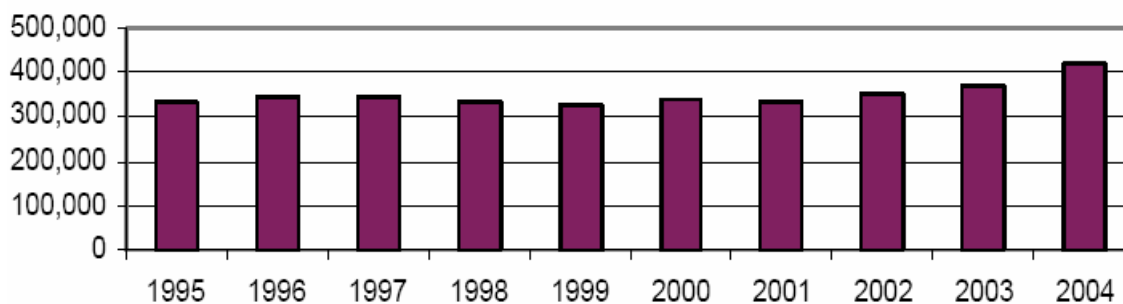
Aid Category	Number of Eligibles
Old Age	62,274
QMB	18,836
Blind	574
Disabled	112,175
Foster Care	3,721
Refugee	376
AFDC	443,357
AFDC-UP	5,480
QDWI, SLMB, QI	16,128
Hospice	55
Other	43,573
Total	706,549

Source: Data Warehouse; Data as of April 1, 2005

3.5.1.1.2. *2005 Information Resource Book Data:*

VDSS resource book information shows a **7.6% per year average compound growth** in cases from 2001 through 2004, with **13.3% growth in 2004** over 2003.

Medicaid Average Monthly Cases Under Care

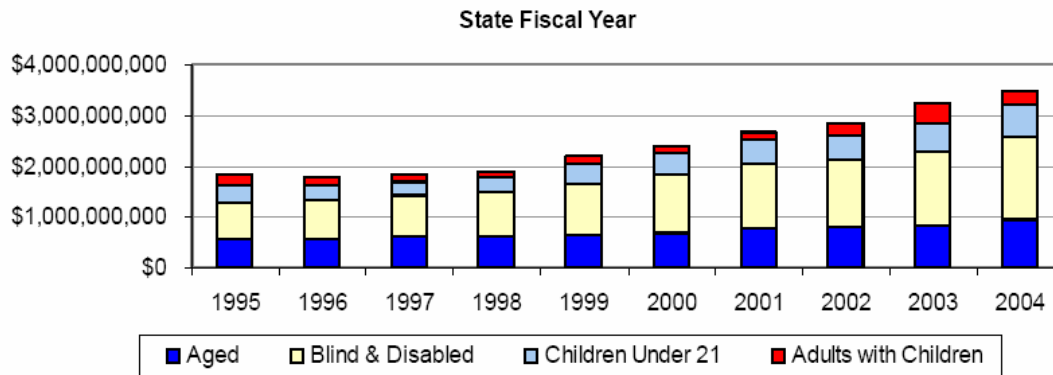


Source: VDSS Information Resource Book – 2005

State Fiscal Year	Average Monthly Cases Under Care
1995	336,009
1996	345,070
1997	346,503
1998	333,047
1999	328,992
2000	338,096
2001	334,988
2002	353,156
2003	368,417
2004 *	417,250

Source: VDSS Information Resource Book – 2005

Overall Medicaid expenditures, reflecting high medical cost inflation, grew at an average compound rate of **9.1%** from 2001 to 2004, but grew more slowly at **7.2%** in 2004.



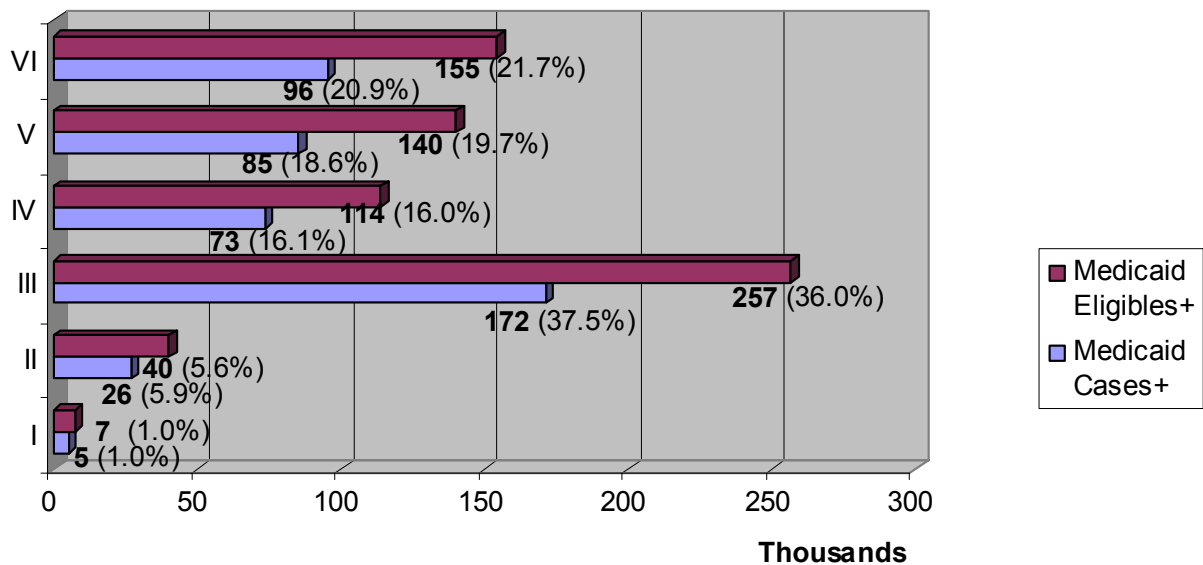
State Fiscal Year	Aged	Blind & Disabled	Children Under 21	Adults with Children	Total
1995	\$565,668,504	\$715,473,890	\$336,849,539	\$223,373,578	\$1,841,365,511
1996	\$577,528,482	\$756,733,898	\$282,912,245	\$173,130,753	\$1,790,305,378
1997	\$612,005,409	\$803,566,776	\$287,806,318	\$127,034,600	\$1,830,413,103
1998	\$631,049,638	\$852,364,529	\$300,457,904	\$125,696,158	\$1,909,568,226
1999	\$638,916,437	\$1,006,703,128	\$392,517,191	\$159,575,543	\$2,197,712,299
2000	\$694,549,983	\$1,135,817,657	\$417,460,418	\$162,907,875	\$2,410,735,931
2001	\$770,409,139	\$1,266,220,499	\$467,507,416	\$159,344,410	\$2,663,481,464
2002	\$794,706,754	\$1,326,532,697	\$495,506,552	\$236,074,511	\$2,852,820,514
2003	\$828,682,856	\$1,449,590,830	\$579,108,034	\$368,798,826	\$3,226,180,546
2004	\$947,724,139	\$1,629,297,321	\$634,881,545	\$248,507,346	\$3,460,410,351
95-04 Growth	68%	128%	88%	11%	88%

Source: VDSS Information Resource Book – 2005

Medicaid/FAMIS Eligibles and Cases by Local Agency Size Category

(as of March 16, 2005)

Totals = 713189 Eligibles, 457701 Cases (100%)



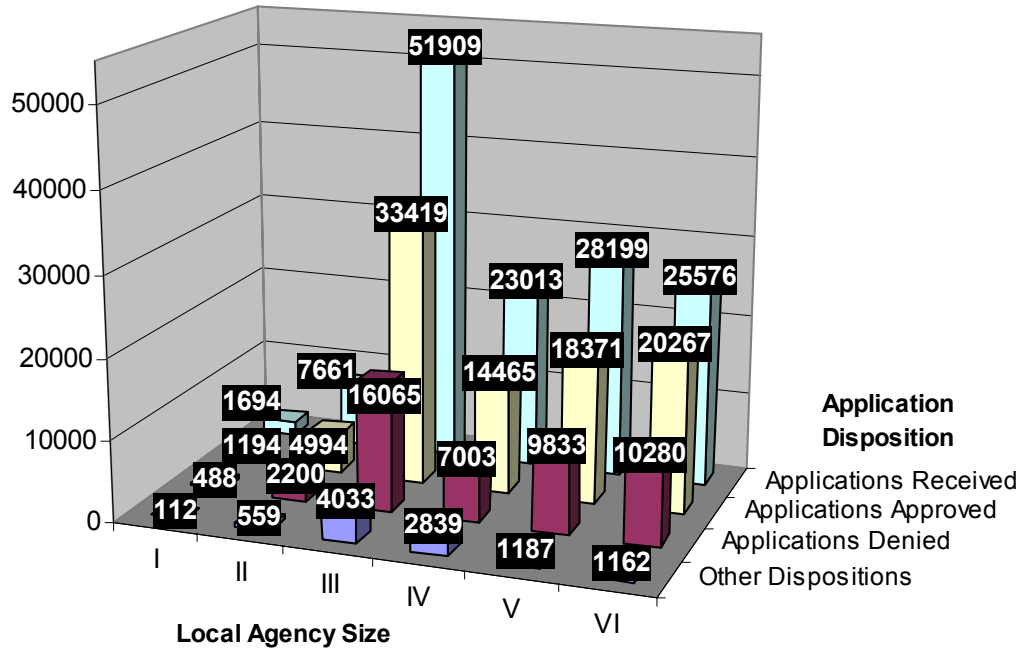
Source: ADAPT system - excludes Long Term Care; Aged, Blind & Disabled

Medicaid Cases and Eligibles by Local Agency Size

Locality Size Category	Medicaid Cases+	Medicaid Eligibles+
I	4926	7230
II	26895	40169
III	171564	257006
IV	73479	114006
V	85290	140157
VI	95547	154621
Total	457701	713189

Source: ADAPT system - excludes Long Term Care; Aged, Blind & Disabled
+ Medicaid Cases and Eligibles as of 3/16/05 - excludes FIPS 975-997

CY 2004 Medicaid Application Dispositions by Local Agency Size Category



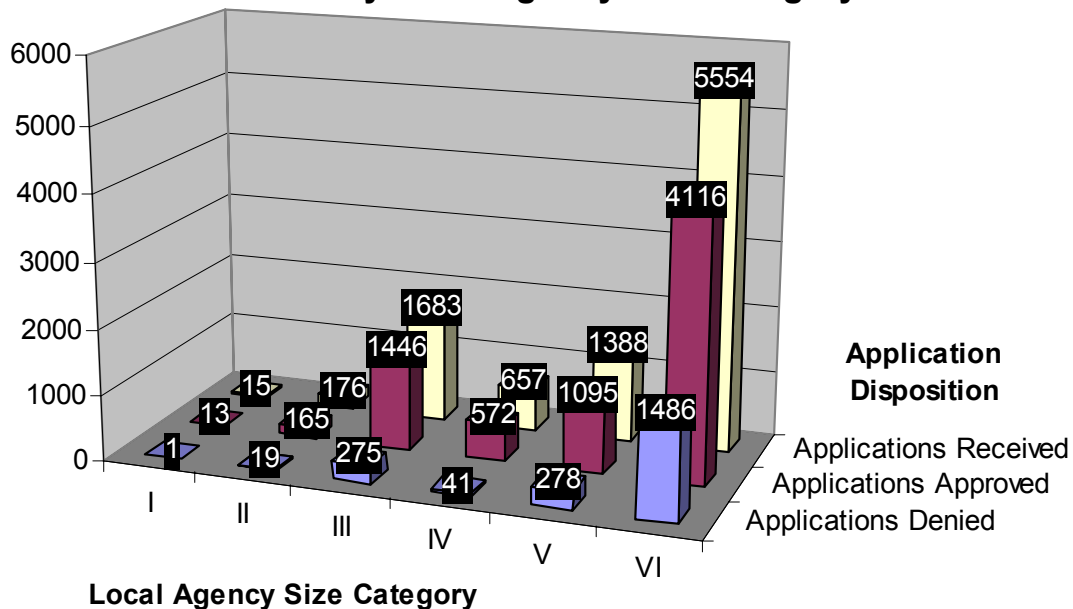
Source: MEDPEND system; plus Estimates for non-participating localities

Medicaid Applications by Local Agency Size

Locality Size Category	Medicaid Applications Received	Medicaid Applications Approved	Medicaid Applications Denied	Medicaid Applications Denied for Spend-down	Other Medicaid Application Dispositions
I	1694	1194	488	66	45
II	7661	4994	2200	356	203
III	51909	33419	16065	2384	1648
IV	23013	14465	7003	822	2017
V	28199	18371	9833	860	327
VI	25576	20267	10280	637	525
Total	138051	92709	45870	5126	4765

Source: MEDPEND system; plus Estimates for non-participating localities

CY 2004 FAMIS Application Dispositions by Local Agency Size Category



Source: MEDPEND system

FAMIS Applications by Local Agency Size

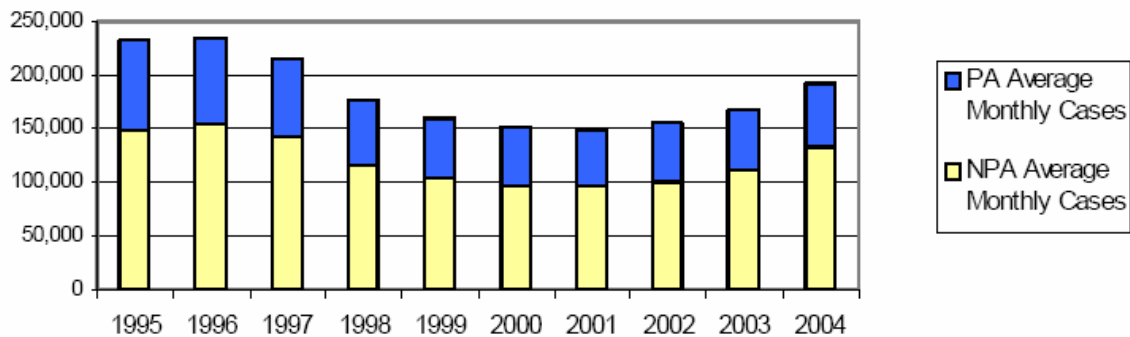
Locality Size Category	FAMIS Applications Received	FAMIS Applications Approved	FAMIS Applications Denied
I	15	13	1
II	176	165	19
III	1683	1446	275
IV	657	572	41
V	1388	1095	278
VI	5554	4116	1486
Total	9473	7407	2100

Source: MEDPEND system

3.5.1.2. Food Stamps

Statewide totals for Food Stamp information come from the VDSS Information Resource Book, while the Locality detail comes from the ADAPT system detail files. Summaries of Local Agency data by Agency Size are presented here. Detailed tables by Agency are in the Appendix.

Food Stamp Average Monthly Caseloads

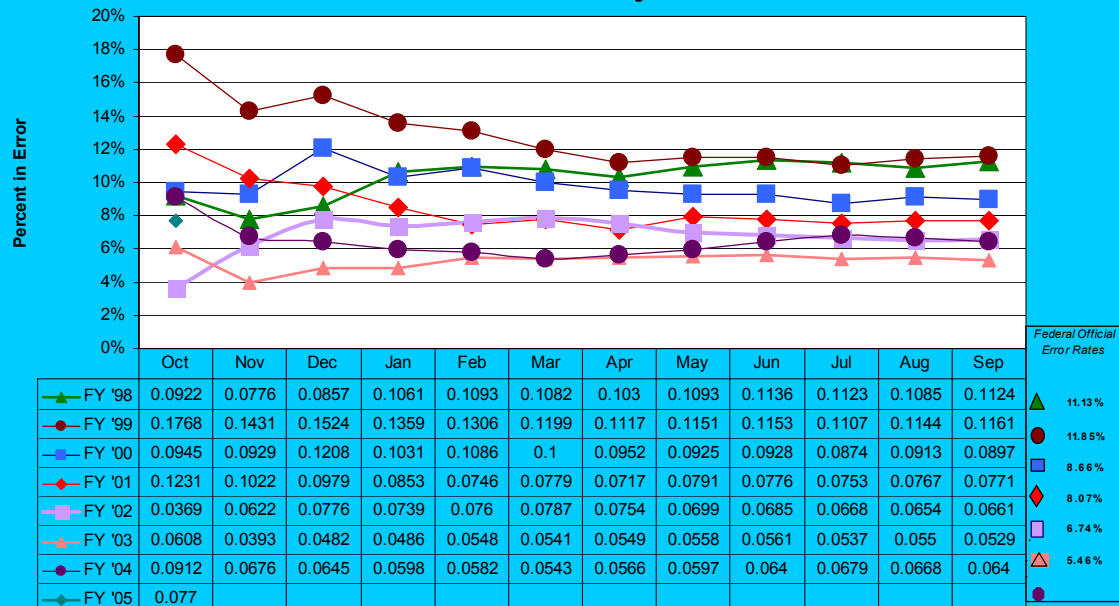


Source: VDSS Information Resource Book - 2005

Accumulative State-Computed FS Error Rates

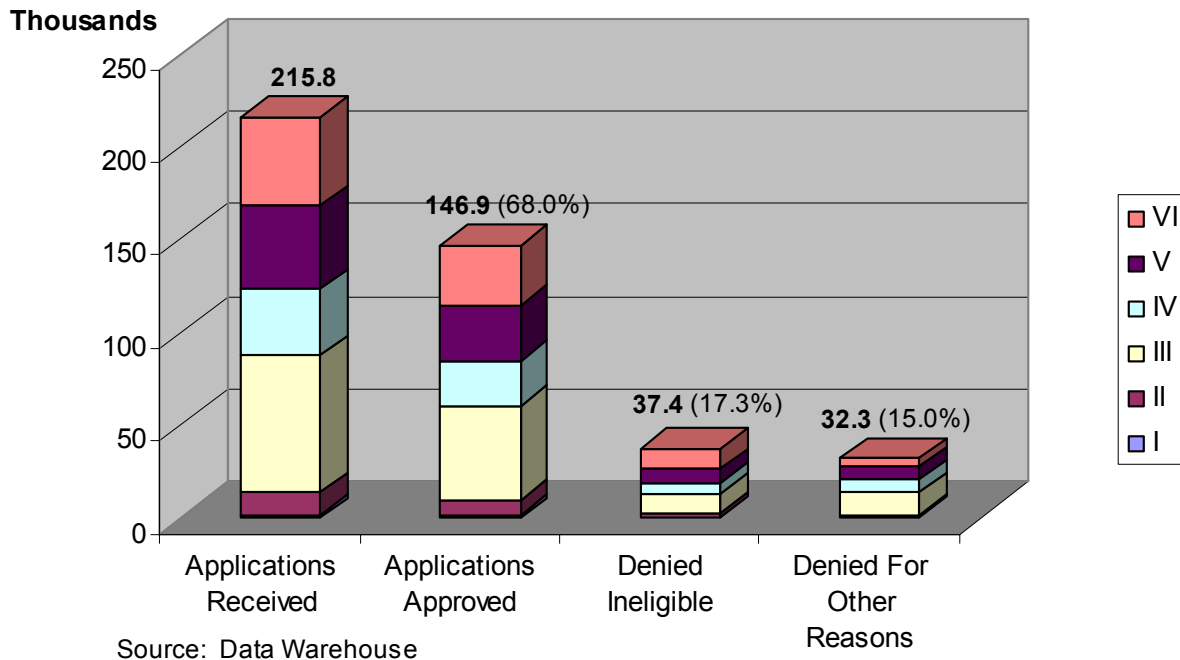
October 2004 - September 2005

NOTE: No Cases Outstanding for Oct 2004



Source: VDSS Information Resource Book - 2005

FY 2004 Food Stamp Application Disposition By Local Agency Size Category



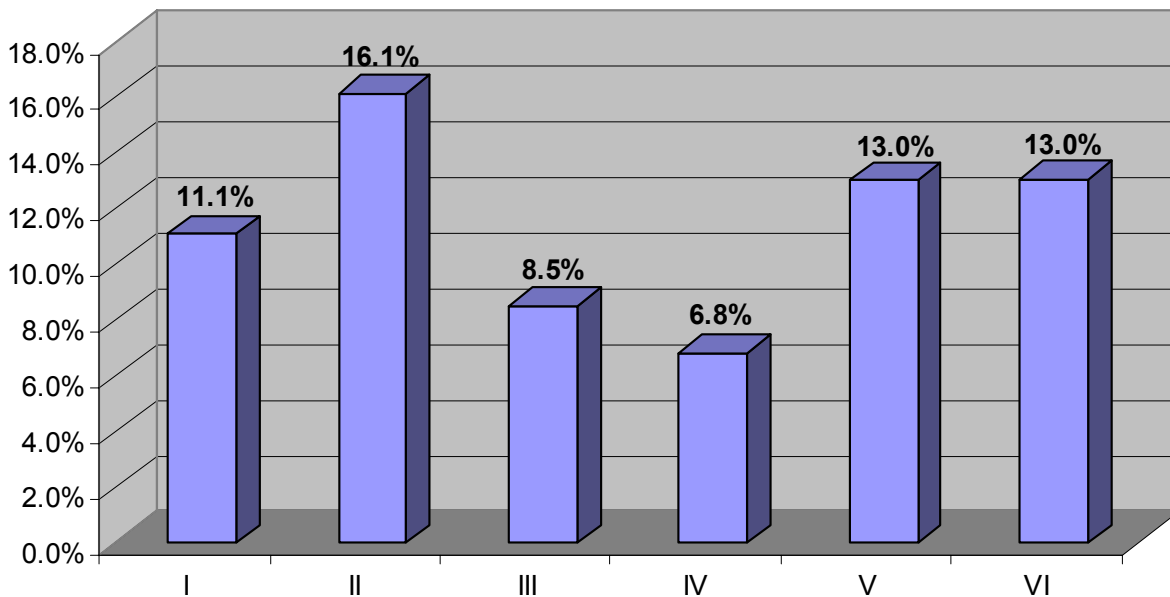
Food Stamp Applications by Local Agency Size

Locality Size Category	Food Stamp Applications Received	Food Stamp Applications Approved	Food Stamps Denied Ineligible	Food Stamps Denied For Other Reasons
I	1936	1347	338	232
II	11771	8324	2052	1372
III	73781	51100	10771	11961
IV	35827	23486	5485	6900
V	44779	30233	7956	6932
VI	47736	32394	10750	4909
Total	215830	146884	37352	32306

Source: Data Warehouse

When reviewing error rates by agency size, it becomes apparent that the percentage error rate for cases (cases with errors divided by sampled cases) is higher than the error rate measured in dollars. This is of interest because it suggests that the issue is a larger number of small errors rather than a small number of large errors.

FY 2004 Food Stamp Case Error Rate by Local Agency Size Category (percent of sampled cases)



Source: Data Warehouse

Food Stamp Error Statistics by Local Agency Size

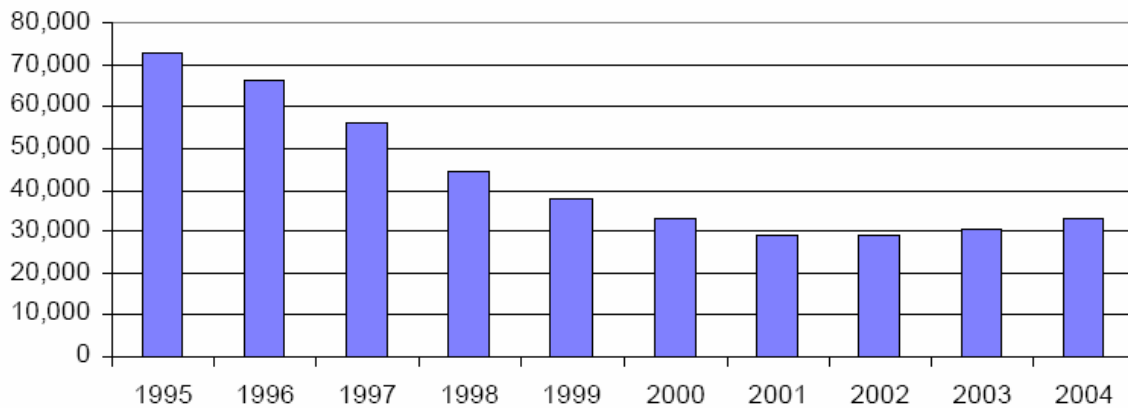
Locality Size Category	Cases Reviewed	Cases in Error	Percent in Error	Issuances	Error Dollars	Percent Error in Issuances
I	9	1	11.1%	\$1,211	\$249	20.6%
II	62	10	16.1%	\$11,677	\$798	6.8%
III	412	35	8.5%	\$66,418	\$3,433	5.2%
IV	191	13	6.8%	\$31,799	\$1,537	4.8%
V	192	25	13.0%	\$39,215	\$2,907	7.4%
VI	230	30	13.0%	\$44,231	\$3,521	8.0%
Total	1096	114	10.4%	\$194,551	\$12,445	6.4%

Source: Data Warehouse

3.5.1.3. TANF

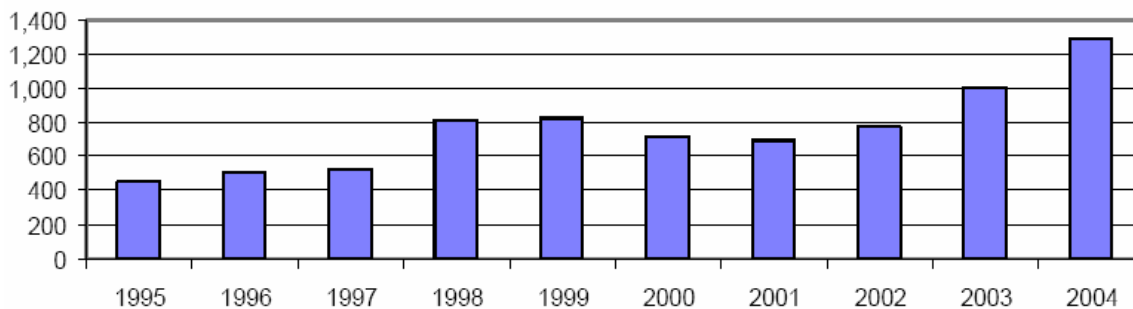
Statewide totals for TANF information come from the VDSS Information Resource Book, while the Locality detail comes from the ADAPT system detail files. Summaries of Local Agency data by Agency Size are presented here. Detailed tables by Agency are in the Appendix.

TANF Average Monthly Caseload



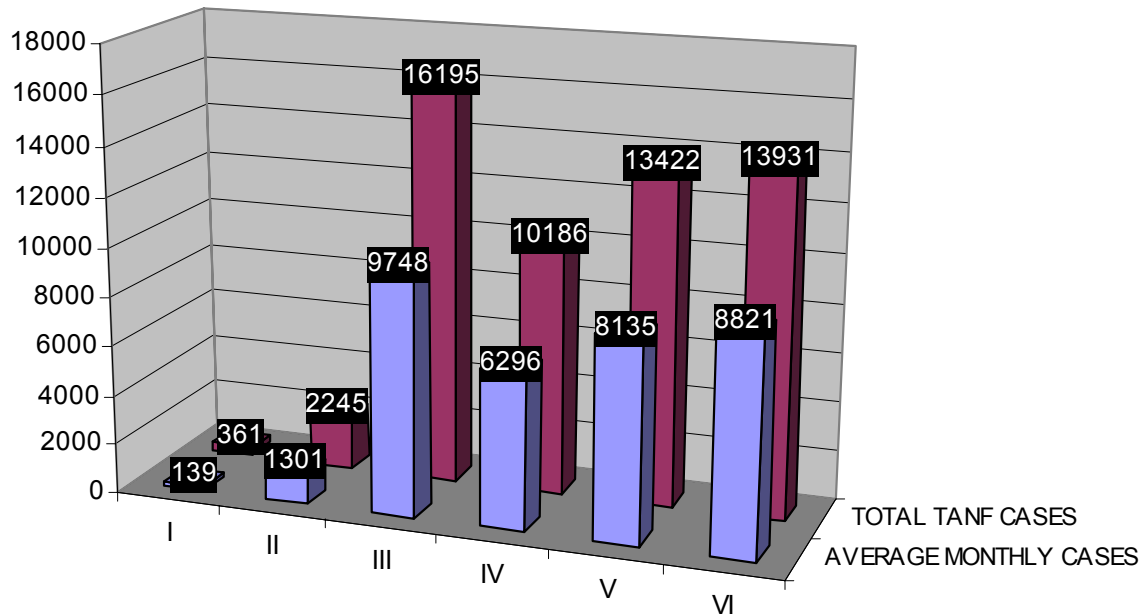
Source: VDSS Information Resource Book - 2005

TANF-UP Average Monthly Caseload



Source: VDSS Information Resource Book - 2005

FY 2004 TANF and TANF-UP Cases by Local Agency Size Category

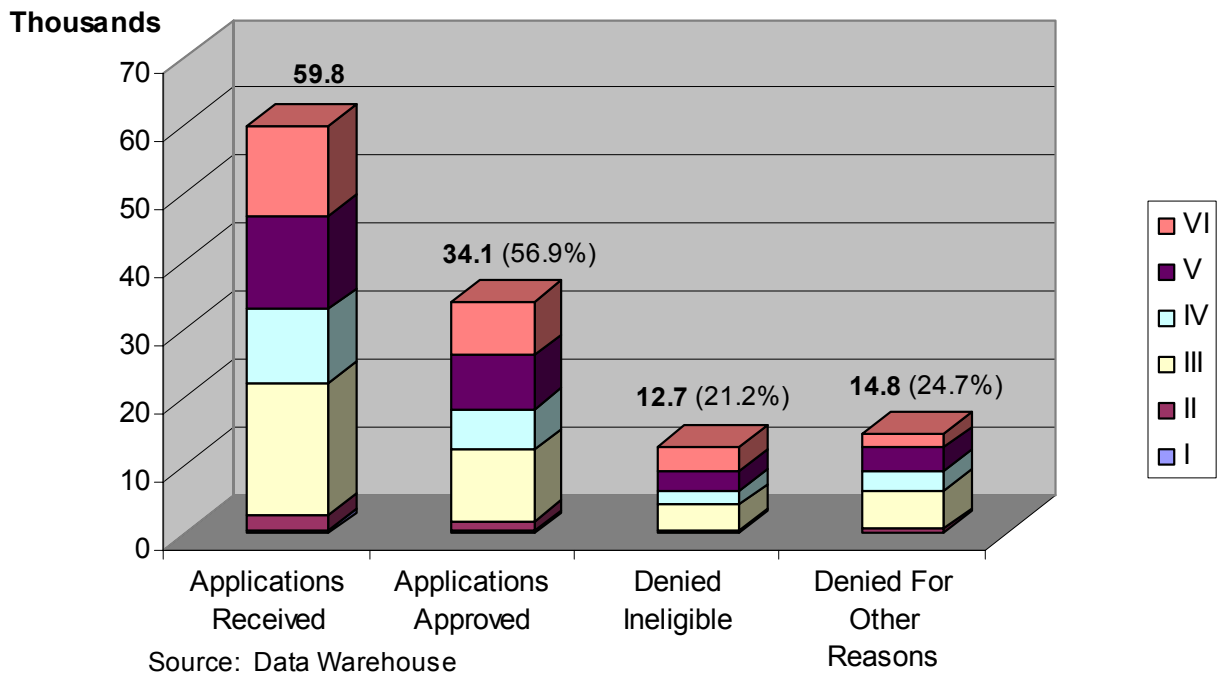


Source: Data Warehouse

FY 2004 TANF Case Statistics by Local Agency Size

Locality Size Category	FY 2004 TANF Cases	FY-2004 TANF-UP Cases	FY 2004 TOTAL TANF CASES	AVERAGE MONTHLY TANF CASES	AVERAGE MONTHLY TANF-UP CASES	AVERAGE MONTHLY TOTAL CASES
I	340	21	361	132	7	139
II	2113	132	2245	1256	45	1301
III	14642	1553	16195	9118	630	9748
IV	9708	478	10186	6105	191	6296
V	12840	582	13422	7917	218	8135
VI	13474	457	13931	8627	194	8821
Total	53117	3223	56340	33155	1285	34440

FY 2004 TANF Application Disposition By Local Agency Size Category



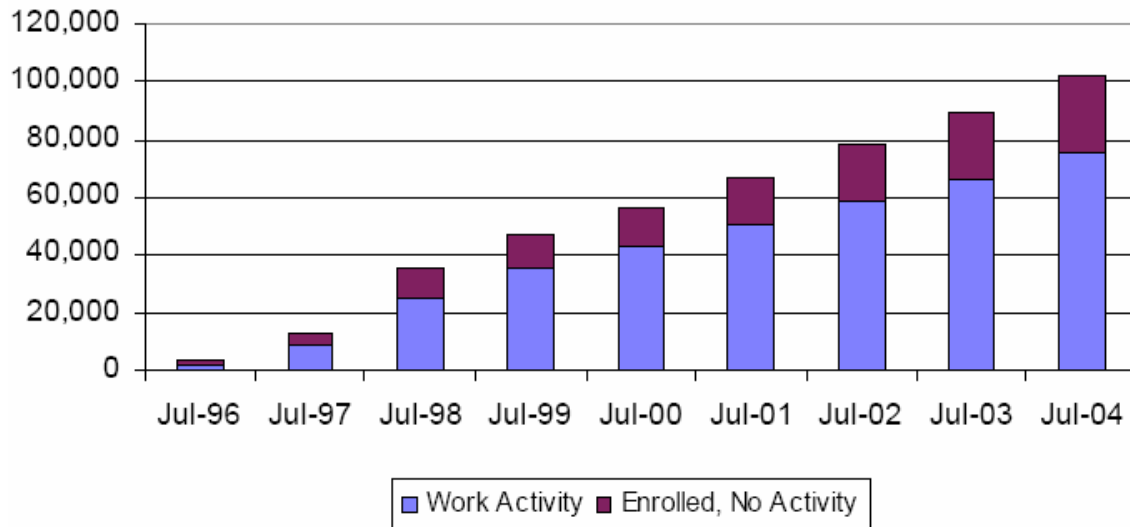
FY 2004 TANF Application Statistics by Local Agency Size

Locality Size Category	TANF Applications Received	TANF Applications Approved	TANF Denied Ineligible	TANF Denied For Other Reasons
I	456	252	103	106
II	2357	1462	434	499
III	19382	10555	3610	5597
IV	10659	5948	2016	3023
V	13855	7920	2978	3356
VI	13069	7929	3544	2182
Total	59778	34066	12685	14763

3.5.1.4. View Employment Services

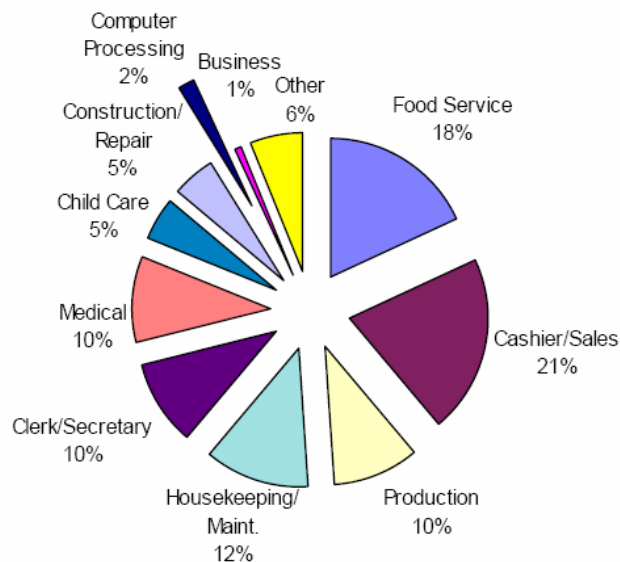
The VDSS Resource Book charts below show accumulated activity for the VIEW program from 1996 to 2004:

VIEW Work Activity by Total Enrolled



Source: VDSS Information Resource Book - 2005

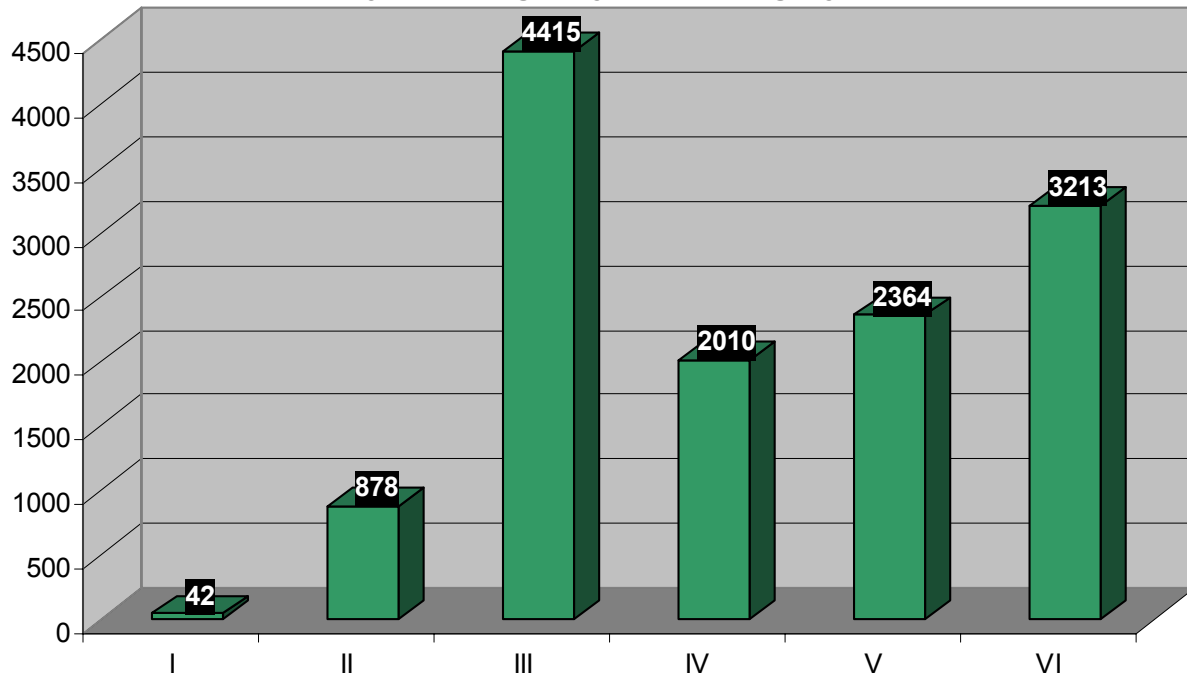
Job Types of VIEW Participants in First Nine Years



Source: VDSS Information Resource Book - 2005

View average monthly client counts by Local Agency come from a monthly VIP report that is accumulated by the VDSS Research department. Detailed Agency tables are in the Appendix.

**FY 2004 VIEW Average Monthly Client Count
by Local Agency Size Category**



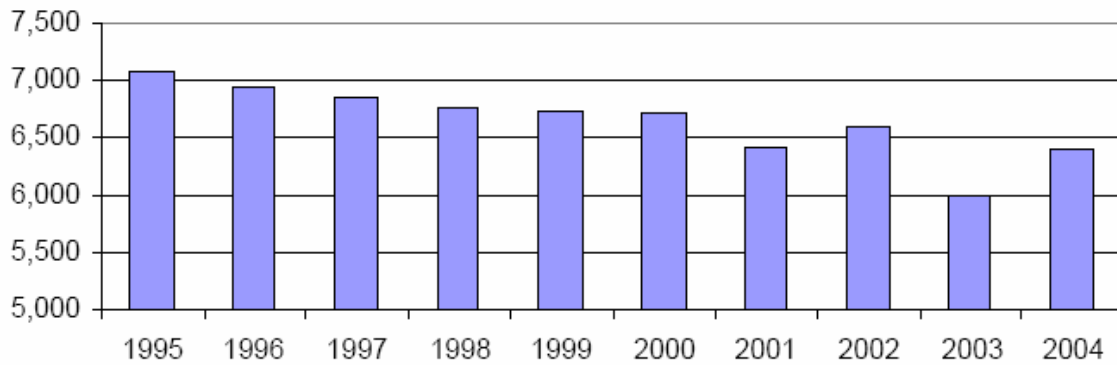
Source: History files for monthly VIP report

3.5.1.5. Auxiliary Grants

Statewide totals for Auxiliary Grants come from the VDSS Information Resource Book, while the Locality detail comes from a Mapper system detail file. Case totals are suspect because grant data is not saved with a case key – multiple grants to the same individual would show up as multiple cases.

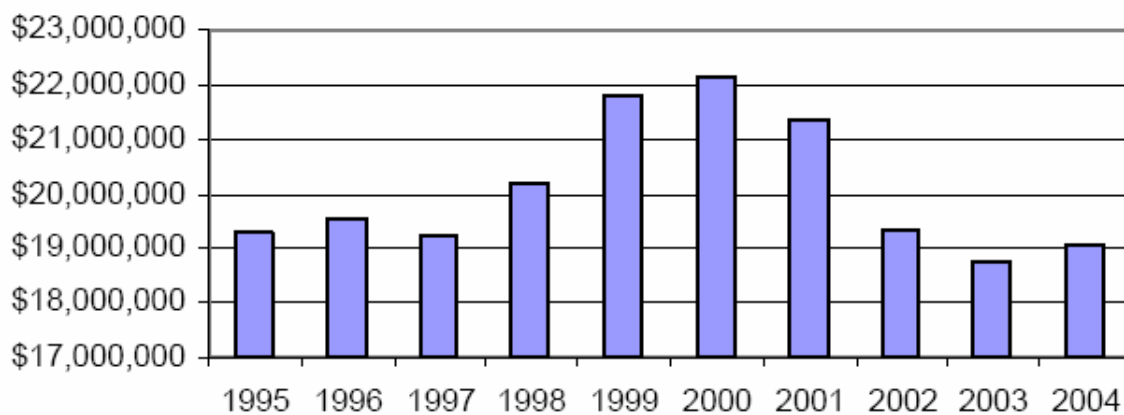
A summary of Local Agency data by Agency Size is presented here. Detailed tables by Agency are in the Appendix.

Auxiliary Grant Average Monthly Caseload



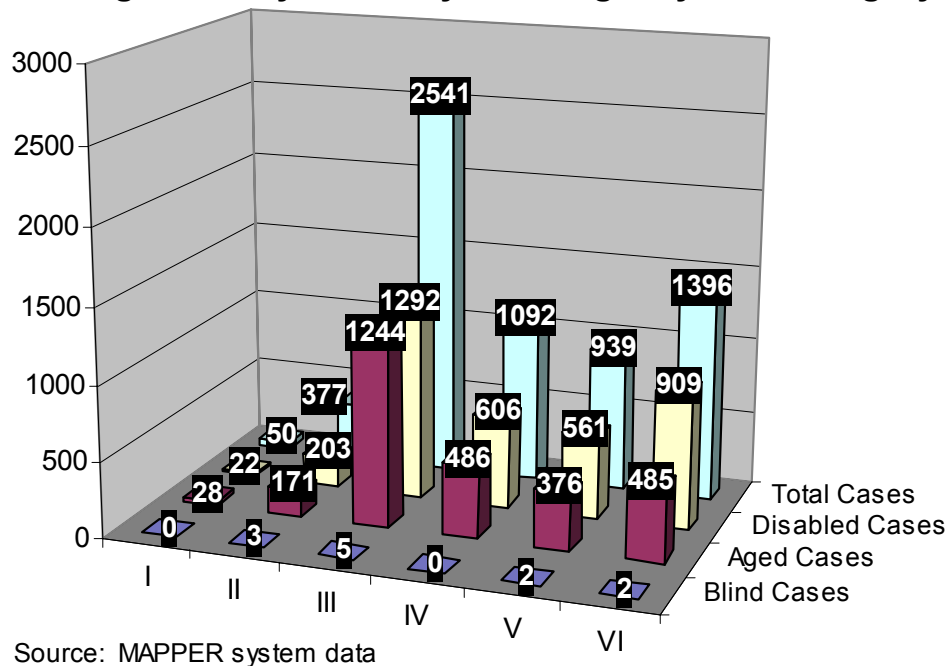
Source: VDSS Information Resource Book - 2005

Auxiliary Grant Annual Payments



Source: VDSS Information Resource Book - 2005

FY 2004 Auxiliary Grants Average Monthly Cases by Local Agency Size Category



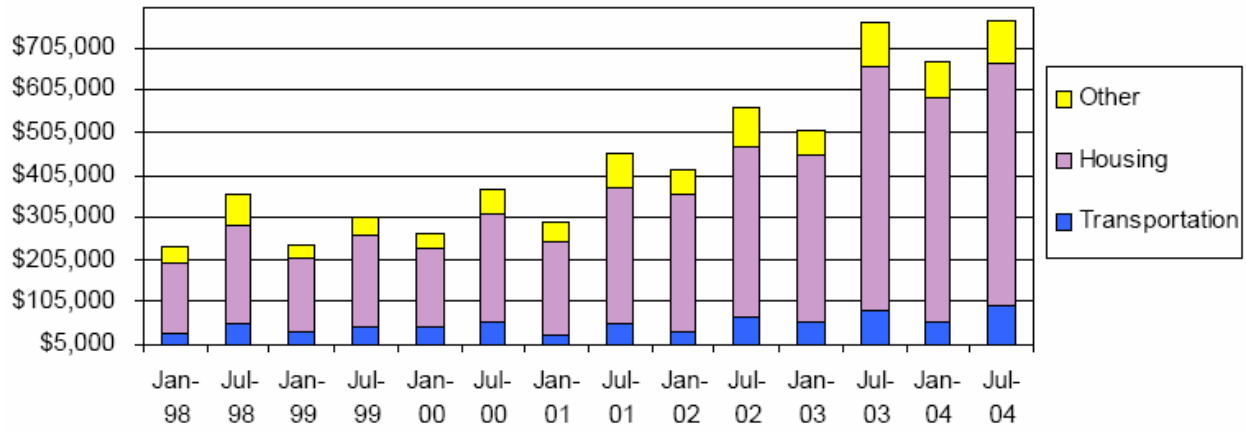
3.5.1.6. Diversion Assistance and General Relief

Statewide totals for Diversion Assistance come from the VDSS Information Resource Book, while the Locality detail comes from an ADAPT system detail file.

Statewide totals for General Relief come from the VDSS Information Resource Book, while the Locality detail comes from a Mapper system detail file based on payment records. Multiple payments to the same individual would show up as multiple cases. As this is a local option program, not all of the payments are necessarily reported to the State.

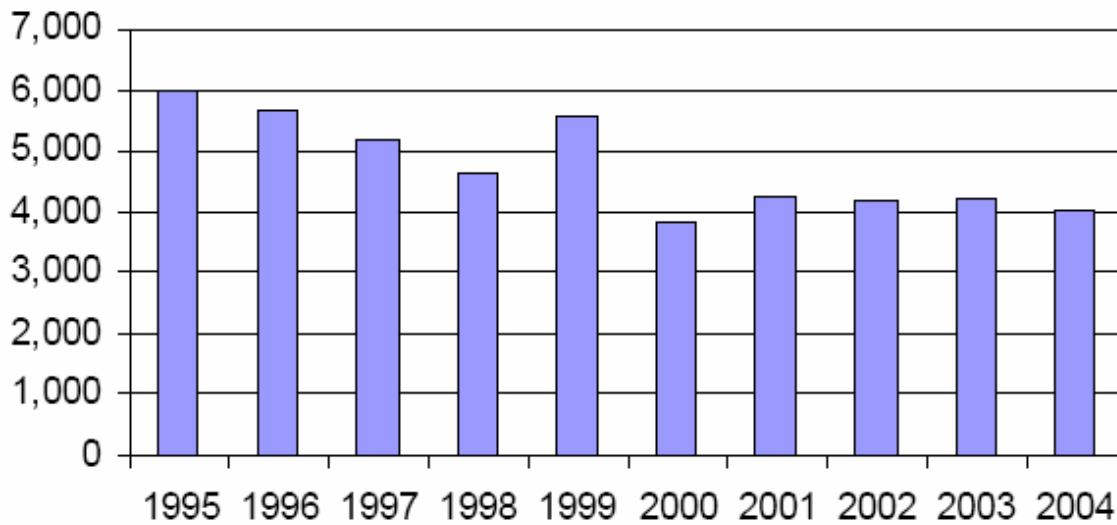
A summary of Local Agency data by Agency Size is presented here. Detailed tables by Agency are in the Appendix.

Diversion Payments by Type



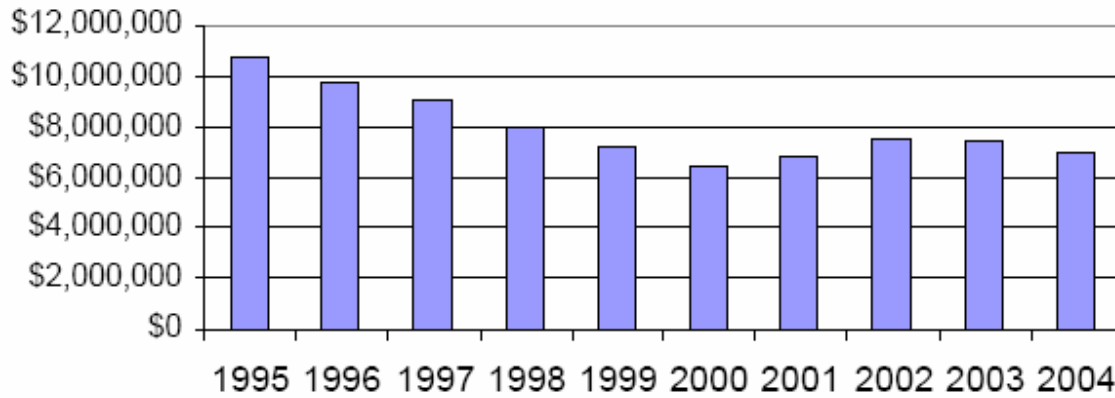
Source: VDSS Information Resource Book - 2005

General Relief Average Monthly Caseload



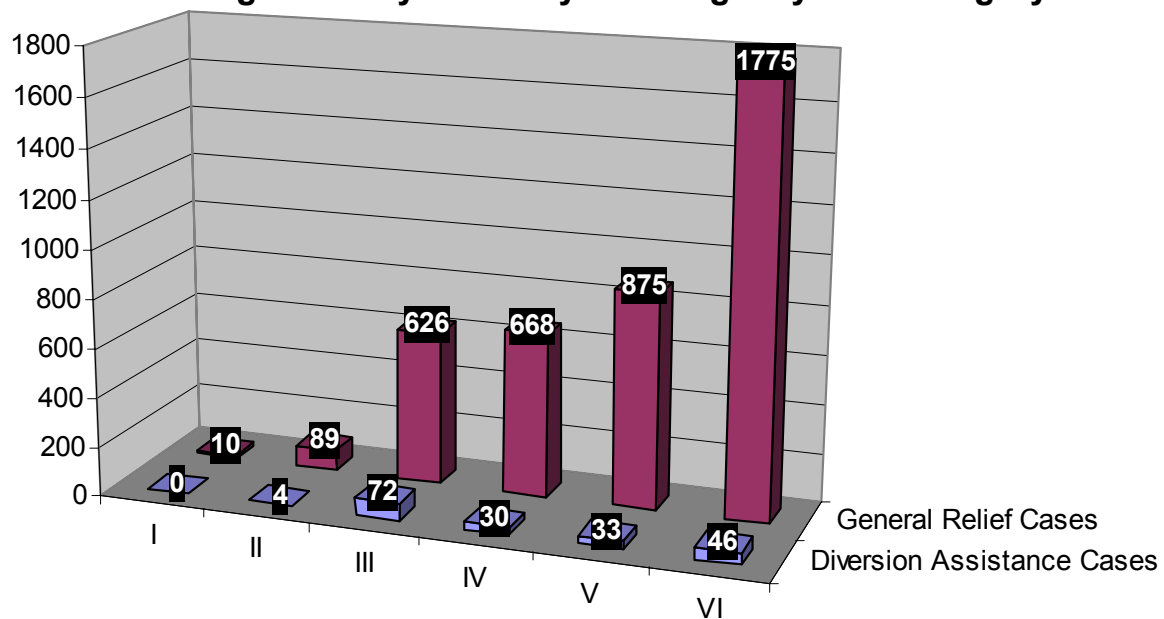
Source: VDSS Information Resource Book - 2005

General Relief Annual Payments



Source: VDSS Information Resource Book – 2005

FY 2004 Diversion Assistance and General Relief Average Monthly Cases by Local Agency Size Category



Source: MAPPER system data; Data warehouse

3.5.1.7. Energy Assistance

Energy Assistance programs are tracked in an independent system maintained by the program staff and Finance. The data below comes from an annual summary report for 2004:

FY 2004 Energy Assistance Programs

Program	Family Units Served	Expenditures
Fuel Assistance	97,588	\$18,500,917
Crisis Heat Assistance	15,603	\$4,408,015
EAP Weatherization	1,324	\$3,336,814
Neighbor to Neighbor	1,277	\$114,043
Energy Share	4,682	\$983,490
Weatherization	1,319	\$2,840,623
Cooling Assistance	30,788	\$5,726,106
Fan Care	1,170	\$30,000
Summer Cooling	747	\$100,000
TOTALS	154,498	\$36,040,008

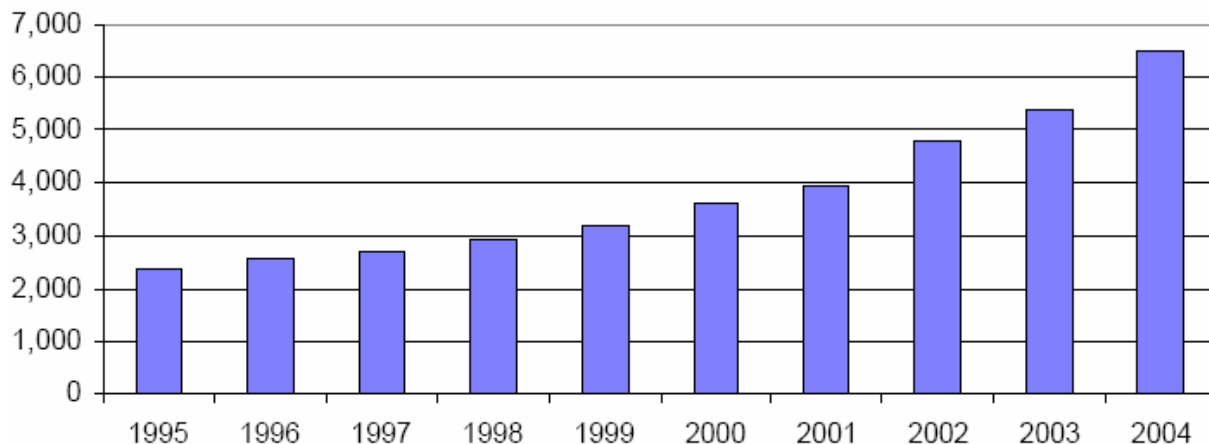
Source: Report on the Effectiveness of Low-Income Energy Assistance Programs – September 15, 2004

3.5.1.8. Adoptions, Foster Care and Child Protective Services (CPS)

Foster Care, CPS, and Adoption cases are managed using case records in the VASIS system. Statewide summary data is presented below from the VDSS Information Resource Book, while the locality and expenditure information was provided from the OASIS system.

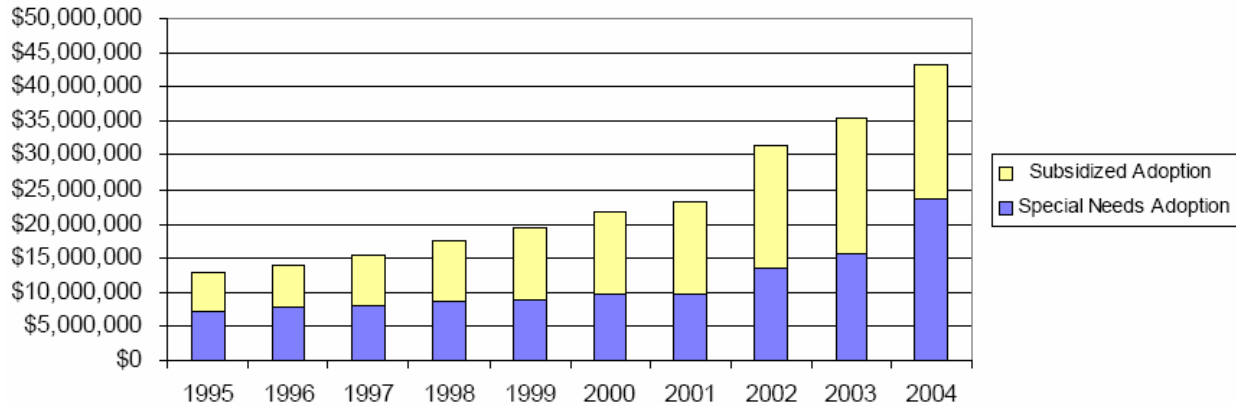
Summaries of locality data by Region and Locality Size are provided in this section. Detailed tables by Locality are in the Appendix.

Average Number of Children Receiving Adoption Subsidy



Source: VDSS Information Resource Book – 2005

Annual Adoption Subsidy Expenditures



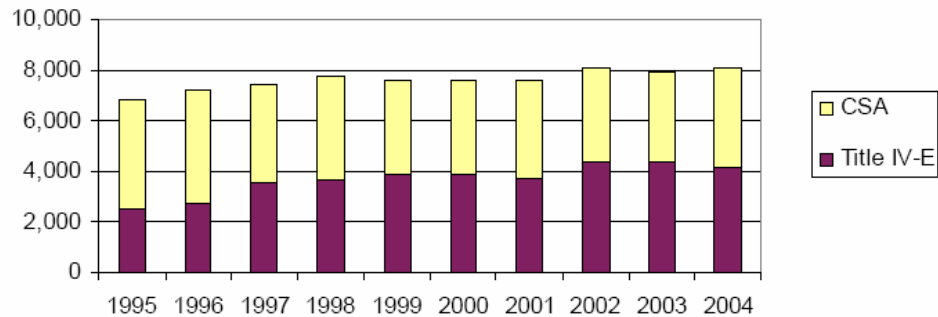
Source: VDSS Information Resource Book – 2005

State Fiscal Year	Special Needs Adoption		Subsidized Adoption		Combined Adoptions	
	Average Monthly Cases	Annual Expenditures	Average Monthly Cases	Annual Expenditures	Average Monthly Cases	Annual Expenditures
1995	1,060	\$7,265,659	1,292	\$5,586,084	2,352	\$12,851,743
1996	1,244	\$7,784,707	1,327	\$6,129,549	2,571	\$13,914,256
1997	1,135	\$8,169,925	1,569	\$7,135,850	2,704	\$15,305,775
1998	1,186	\$8,498,989	1,758	\$8,863,552	2,944	\$17,362,541
1999	1,219	\$8,868,117	1,972	\$10,460,160	3,191	\$19,328,277
2000	1,343	\$9,746,511	2,274	\$11,933,231	3,617	\$21,679,742
2001	1,459	\$9,619,916	2,487	\$13,599,563	3,946	\$23,219,479
2002	1,746	\$13,472,659	3,057	\$18,075,922	4,803	\$31,548,581
2003	2,009	\$15,683,539	3,370	\$19,791,832	5,379	\$35,475,371
2004	3,753	\$23,767,042	2,743	\$19,491,485	6,496	\$43,258,527

Source: VDSS Information Resource Book – 2005

Foster Care Children by Funding Source

*



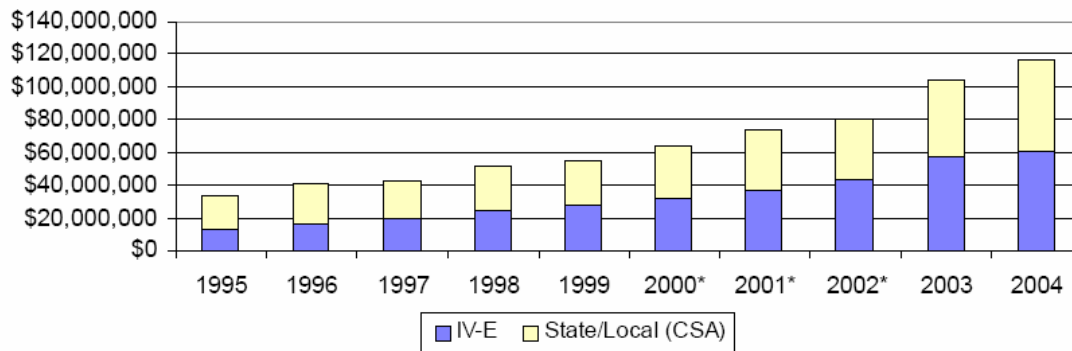
State Fiscal Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Title IV-E	2,501	2,734	3,545	3,645	3,862	3,868	3,727	4,354	4,343	4,153
CSA	4,340	4,467	3,901	4,111	3,710	3,717	3,858	3,732	3,573	3,902
Total	6,841	7,201	7,446	7,756	7,572	7,585	7,585	8,086	7,916	8,055

Note: Title IV-E and CSA foster care cases are point-in-time data at end of state fiscal year.

Source: VDSS Information Resource Book – 2005

* NOTE: Cases listed as “CSA” are cases that have no Title IV-E eligibility. (In some cases Title IV-E funds are supplemented with local funds.)

IV-E Expenses and State/Local (CSA) Expenses



SFY	IV-E Foster Care			Non-IVE Foster Care (CSA - State/Local Funded)		Total Foster Care	
	Cases	Access Rate**	Actual Maintenance Expenditures	Cases	Estimated Maintenance Expenditures	Total Cases	Estimated and Actual Maintenance Expenses
1995	2,501	36.6%	\$12,176,843	4,340	\$21,130,547	6,841	\$33,307,390
1996	2,734	38.0%	\$15,703,897	4,467	\$25,658,123	7,201	\$41,362,020
1997	3,545	47.6%	\$19,950,891	3,901	\$21,954,422	7,446	\$41,905,313
1998	3,645	47.0%	\$24,350,575	4,111	\$27,463,707	7,756	\$51,814,282
1999	3,862	51.0%	\$28,019,647	3,710	\$26,916,854	7,572	\$54,936,501
2000*	3,388	51.0%	\$32,570,532	3,717	\$31,299,035	7,105	\$63,869,567
2001*	3,727	49.1%	\$36,251,457	3,858	\$37,525,656	7,585	\$73,777,113
2002*	4,354	53.8%	\$43,204,494	3,732	\$37,032,424	8,086	\$80,236,918
2003	4,343	54.9%	\$57,232,091	3,573	\$47,085,024	7,916	\$104,317,115
2004	4,153	51.6%	\$60,376,686	3,902	\$56,727,626	8,055	\$117,104,312

IV-E and Non IV-E foster care cases are point-in-time data at end of fiscal year.

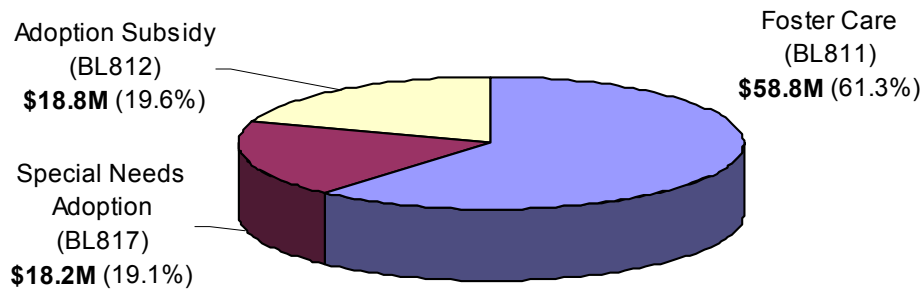
* Case numbers previously reported in 2000, 2001 & 2002 Information Resource Books have been updated.

** Access rate is the percentage of IV-E cases relative to all foster care cases.

Source: VDSS Information Resource Book – 2005

FY 2004 Foster Care and Adoption Expenditures by Budget Line

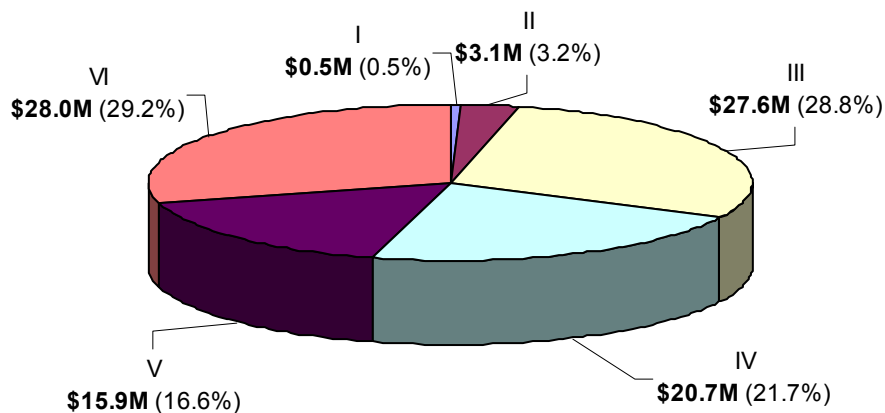
Total = \$95.8M (100%)



Source: LASER system data

FY 2004 Foster Care and Adoption Expenditures by Local Agency Size Category

Total = \$95.8M (100%)



Source: LASER system data

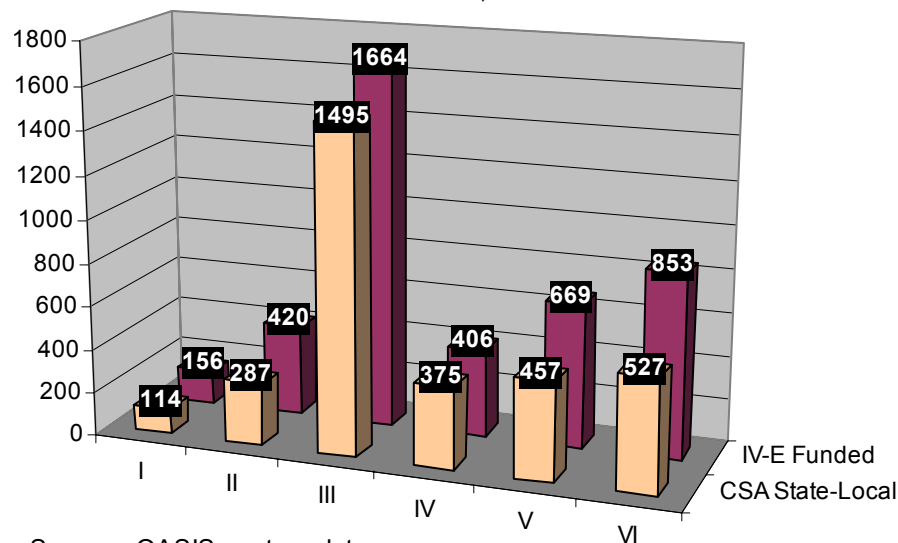
FY 2004 Foster Care and Adoption Expenditures by Agency Size

Locality Size Category	FY 2004 Adoption Services Budget Total	FY 2004 Adoption Services Actual Total	FY 2004 Foster Care (BL811) Budget	FY 2004 Foster Care (BL811) Actual	FY 2004 Special Needs (BL817) Budget	FY 2004 Special Needs (BL817) Actual	FY 2004 Adoption Subsidy (BL812) Budget	FY 2004 Adoption Subsidy (BL812) Actual
I	\$580,687	\$499,264	\$430,588	\$358,846	\$25,344	\$19,207	\$124,755	\$121,211
II	\$3,849,803	\$3,080,067	\$2,482,378	\$1,955,316	\$707,942	\$569,261	\$659,483	\$555,490
III	\$31,239,602	\$27,602,997	\$20,269,960	\$18,083,075	\$5,394,888	\$4,448,096	\$5,574,754	\$5,071,827
IV	\$23,049,109	\$20,760,779	\$14,858,869	\$13,647,193	\$3,848,380	\$3,326,521	\$4,341,860	\$3,787,065
V	\$17,129,077	\$15,873,244	\$10,385,515	\$9,440,121	\$3,276,834	\$3,171,721	\$3,466,728	\$3,261,402
VI	\$29,455,833	\$28,004,231	\$16,515,672	\$15,284,229	\$6,808,135	\$6,725,377	\$6,132,026	\$5,994,625
Total	\$105,304,111	\$95,820,582	\$64,942,982	\$58,768,780	\$20,061,523	\$18,260,182	\$20,299,606	\$18,791,620
	100.0%	100.0%	61.7%	61.3%	19.1%	19.1%	19.3%	19.6%

Source: LASER system data

**Jun 04 Foster Care Cases
by Local Agency Size Category**

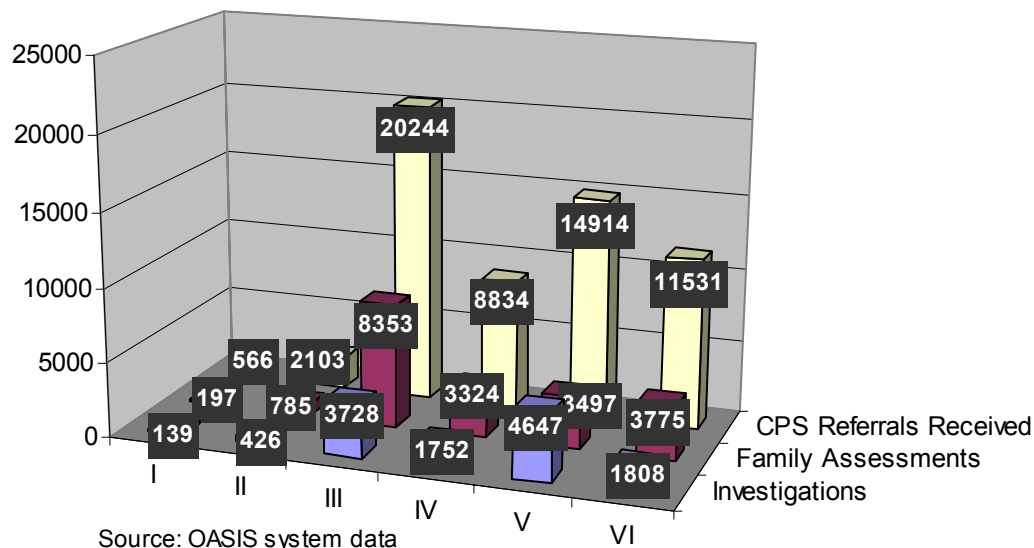
Totals = 4168 IV-E; 3255 CSA



Source: OASIS system data

SFY 2004 Child Protective Services by Local Agency Size Category

Totals = 51,892 referrals; 19,931 assessments
12,500 investigations

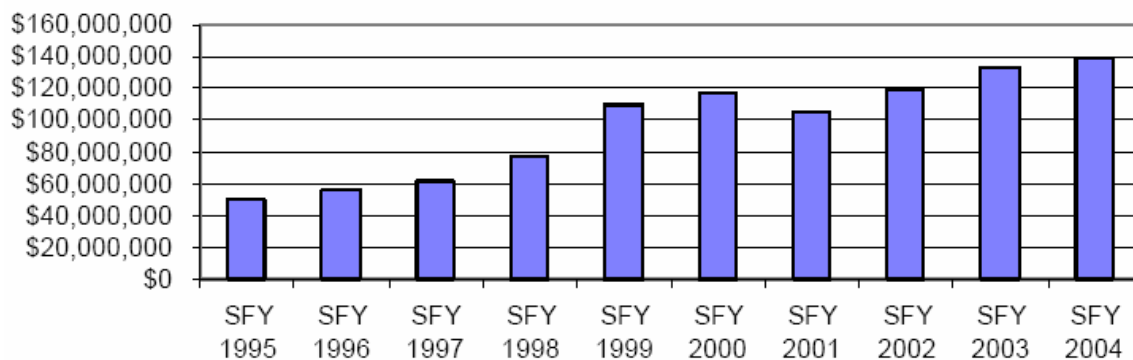


3.5.1.9. Child Care

Child Care cases are managed using case records in the VACIS system. Statewide summary data is presented below from the VDSS Information Resource Book, while the locality and expenditure information was provided from a Mapper system.

Summaries of locality data by Locality Size are provided in this section. Detailed tables by Locality are in the Appendix.

Total Child Care Expenditures



Source: VDSS Information Resource Book – 2005

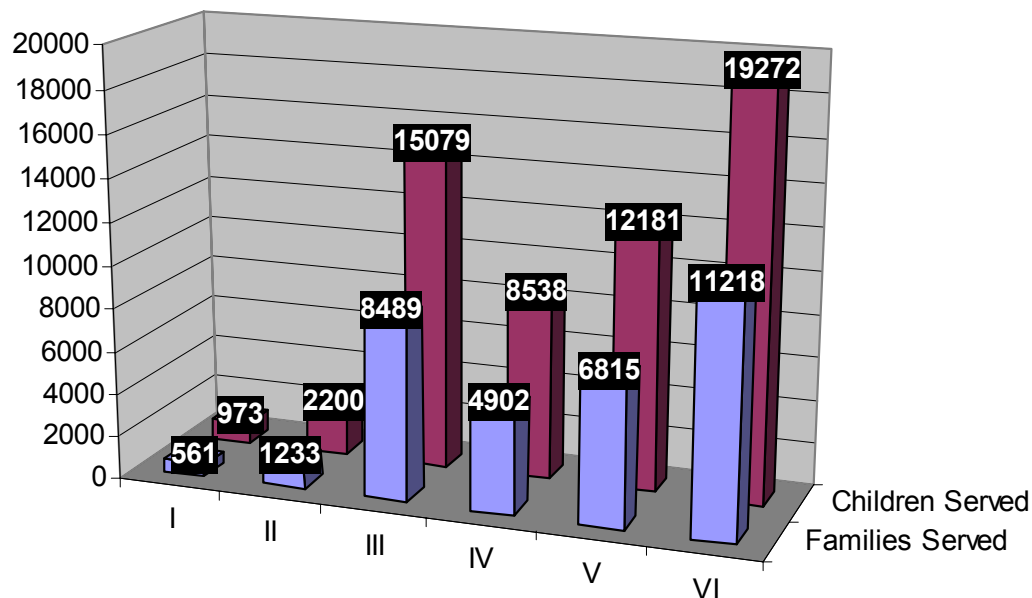
Program	SFY 1995	SFY 1996	SFY 1997	SFY 1998	SFY 1999	SFY 2000	SFY 2001	SFY 2002	SFY 2003	SFY 2004
AFDC/TANF Working	\$10,278,730	\$11,602,903	\$17,775,997	\$26,986,685	\$38,831,217	\$35,581,441	\$27,754,591	\$26,797,301	\$29,972,260	\$33,878,711
AFDC/TANF Educ & Trng	\$6,237,278	\$5,242,378	\$2,986,315	\$1,919,833	\$913,288	\$1,030,582	\$938,440	\$1,759,123	\$2,413,220	\$2,491,504
AFDC/TANF Educ & Trng Pass-Thru	\$2,965,249	\$2,807,843	\$928,172	\$23,512	\$110			\$12,307	\$8,985	\$71,277
Learnfare			\$30,309	\$46,844	\$45,356	\$50,391	\$24,628	\$28,861	\$38,000	\$49,087
Transitional	\$10,115,553	\$11,788,731	\$13,071,611	\$14,277,779	\$13,807,770	\$14,325,551	\$14,604,511	\$11,932,349	\$11,084,616	\$11,209,066
FSET	\$214,224	\$308,837	\$239,057	\$300,879	\$316,087	\$513,888		\$96,034	\$103,070	\$46,891
Fee System/At-Risk	\$6,993,598	\$7,121,600	\$5,626,669	\$22,828,354	\$40,715,996	\$45,811,951	\$45,898,614	\$59,594,223	\$60,061,349	\$52,811,294
Fee System/At-Risk Pass-Thru	\$6,581,303	\$7,165,810	\$6,772,083	\$1,513,143	\$1,885,885	\$5,605,867	\$591,222	\$488,772	\$9,246,804	\$16,984,919
Fee System/Block Grant	\$6,275,941	\$8,680,778	\$11,575,444							
Head Start to Work		\$822,122	\$2,409,542	\$2,079,976	\$2,484,160	\$3,136,032	\$3,689,491	\$3,537,490	\$3,324,228	\$4,021,464
IVE Foster Care				\$625,566						
Staff Allowance *				\$6,547,822	\$10,516,790	\$11,070,498	\$11,193,362	\$14,888,664	\$16,690,476	\$17,887,640
TOTAL	\$49,661,876	\$55,541,002	\$61,415,199	\$77,150,393	\$109,516,659	\$117,126,201	\$104,694,859	\$119,135,124	\$132,943,008	\$139,451,853

Source: VDSS Information Resource Book – 2005

* Allowance for Local Agency child care administration

FY 2004 Child Care Cases by Local Agency Size Category

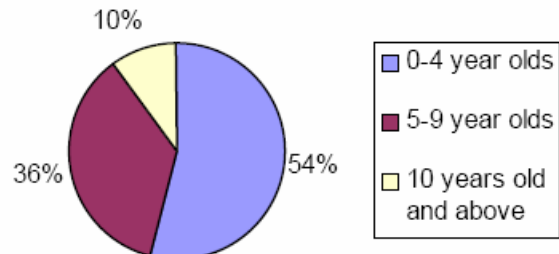
Totals = 33,218 Families; 58,243 Children



Source: VACIS system data

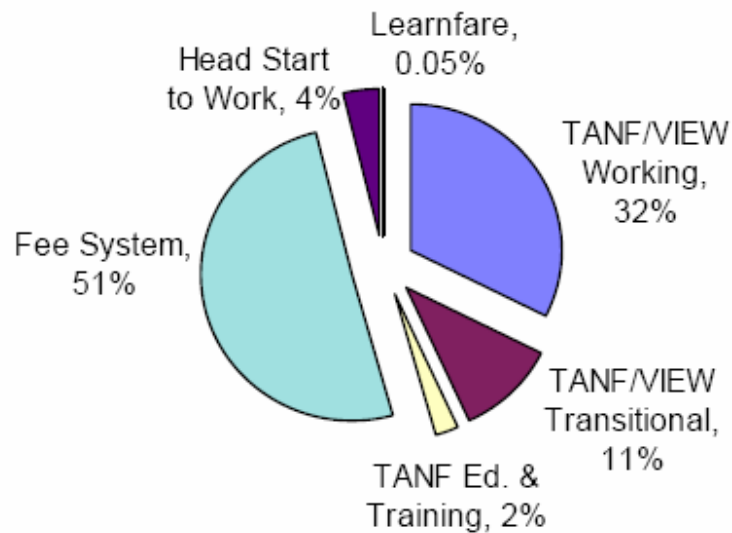
Age Groups of Children Served

Age Group of Children Served in SFY04	% in Age Group
0-4 year olds	54%
5-9 year olds	36%
10 years old and above	10%
Total	100%



Source: VDSS Information Resource Book – 2005

SFY 2004 Expenditures



Source: VDSS Information Resource Book – 2005

3.5.2. Other Activity Measures

Virginia Social Services provided measures of several key administrative activities that are not directly involved in delivery of program services. These include

- Fair Hearings and Appeals
- Fraud Investigations
- Regulation Changes

3.5.2.1. Fair Hearings and Appeals

Citizens can file a request for a Fair Hearing or Appeal, whenever they want to request review of a program action. VDSS created a Mapper system for tracking Fair Hearings and Appeals at a time in the past when there was a large backlog that the State wanted to manage downward to a lower level. This Mapper system is the source of the information below. Fair hearing and appeal data is not retrievable by locality, so only statewide totals by Program are presented.

ANNUAL STATEWIDE FAIR HEARINGS & APPEALS REPORT SFY 2004

DESCRIPTIONS	PROGRAM CATEGORY								
	Food Stamps	Food Stamp Admin. Disqual.	Disaster Food Stamp	TANF	TANF Admin. Disqual.	Energy Assistance	General Relief	Auxiliary Grant	Family Services Programs
Pending from SFY 03	266	149	0	84	60	8	13	4	12
Received in SFY 04	1295	945	187	377	233	153	49	6	70
Disposed in SFY 04	1162	924	178	335	227	132	45	6	56
Pending (Year-End)	399	170	9	126	66	29	17	4	26

DISPOSITIONS:

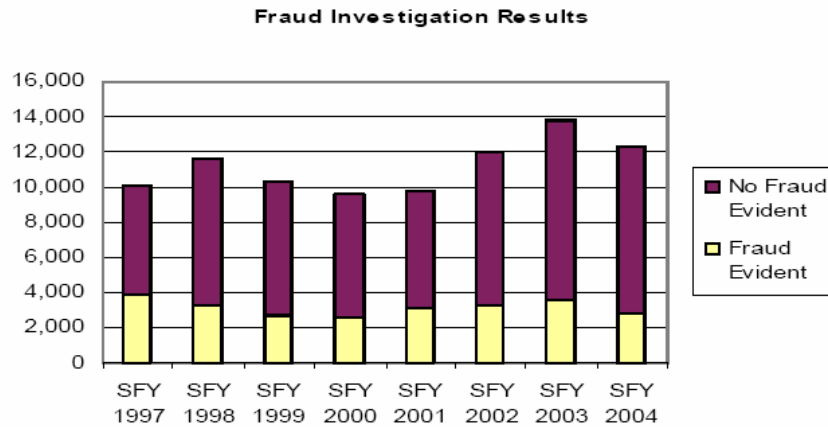
Abandoned (A):	257	0	67	50	0	33	6	0	7
Invalid (I):	86	13	29	73	7	35	16	5	14
Amended (M):	1	0	0	1	0	0	0	0	0
Other (O):	0	0	0	0	0	0	0	0	0

CHILD PROTECTIVE SERVICES (CPS) SFY 04

Number Received	247
Number Withdrawn	10
Number Denied	62

3.5.2.2. Fraud Investigations

Fraud Investigation tracking has recently transitioned to a new system, so the most recent data by Locality that is available is for FY 2003 from the old Mapper system. Statewide totals from the VDSS Information Resource Book are shown below. Summaries of Locality data by Region and Locality Size are included in this report.

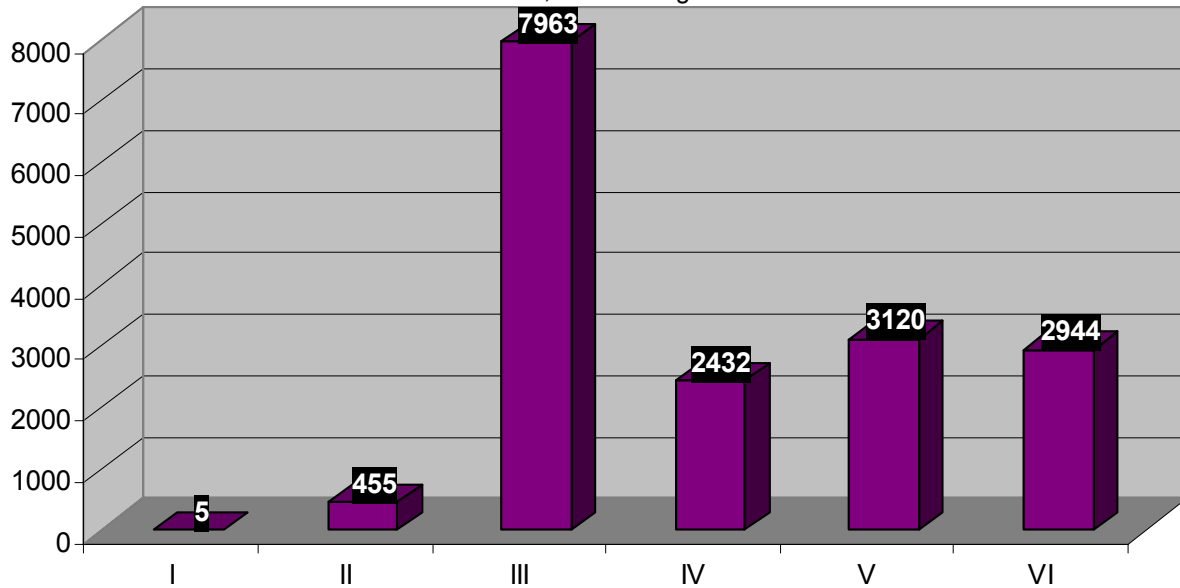


	SFY 1997	SFY 1998	SFY 1999	SFY 2000	SFY 2001	SFY 2002	SFY 2003	SFY 2004
Fraud Evident	3,907	3,275	2,750	2,558	3,063	3,328	3,574	2,782
No Fraud Evident	6,186	8,309	7,575	7,088	6,762	8,628	10,245	9,544
Total Investigations	10,093	11,584	10,325	9,646	9,825	11,956	13,819	12,326

Source: VDSS Information Resource Book – 2005

FY 2003 Fraud Investigations by Local Agency Size Category

Total = 16,919 Investigations



Source: MAPPER system data

3.5.2.3. Regulation Changes

Regulation changes are a significant driver of management and professional time as well as training time for the staff that needs to implement them. Current regulation status in Virginia Social Services is as follows:

Social Service Regulations – April 2005

62 Current Social Service Regulations

- 14 In Repeal Process
- 8 Being Amended
- 3 Under Periodic Review

9 New Regulations in Process

71 Total Regulations

2003 Regulatory Activity

- 20 Notices of intended regulation action
- 12 Proposed regulatory actions
- 13 Final Regulations
- 1 Emergency Regulation

2004 Regulatory Activity

- 16 Notices of intended regulation action
- 16 Proposed regulatory actions
- 46 Final Regulations

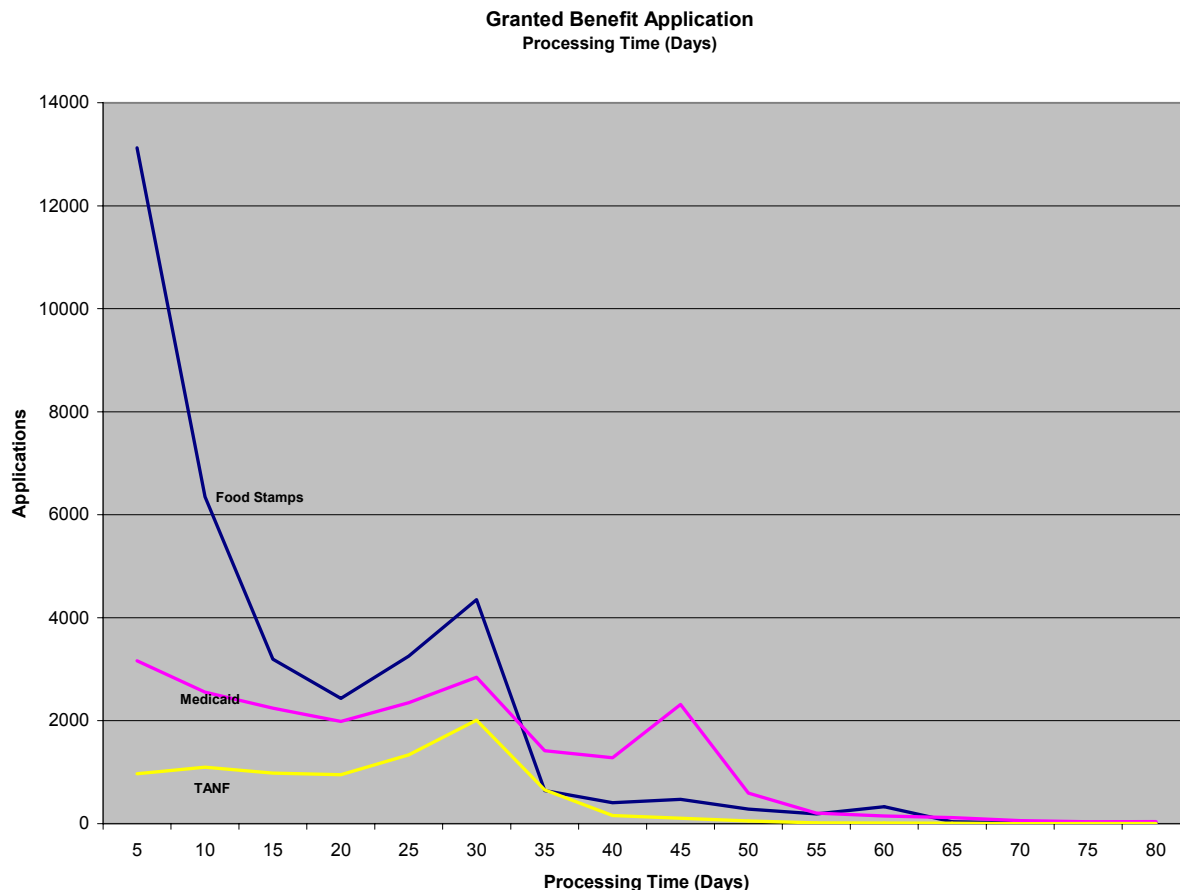
3.6. SERVICE DELIVERY MEASURES

Additional statistics on application processing times and staff time utilization from Random Moment Sampling were provided to the team and are included here.

3.6.1. Application Processing Times

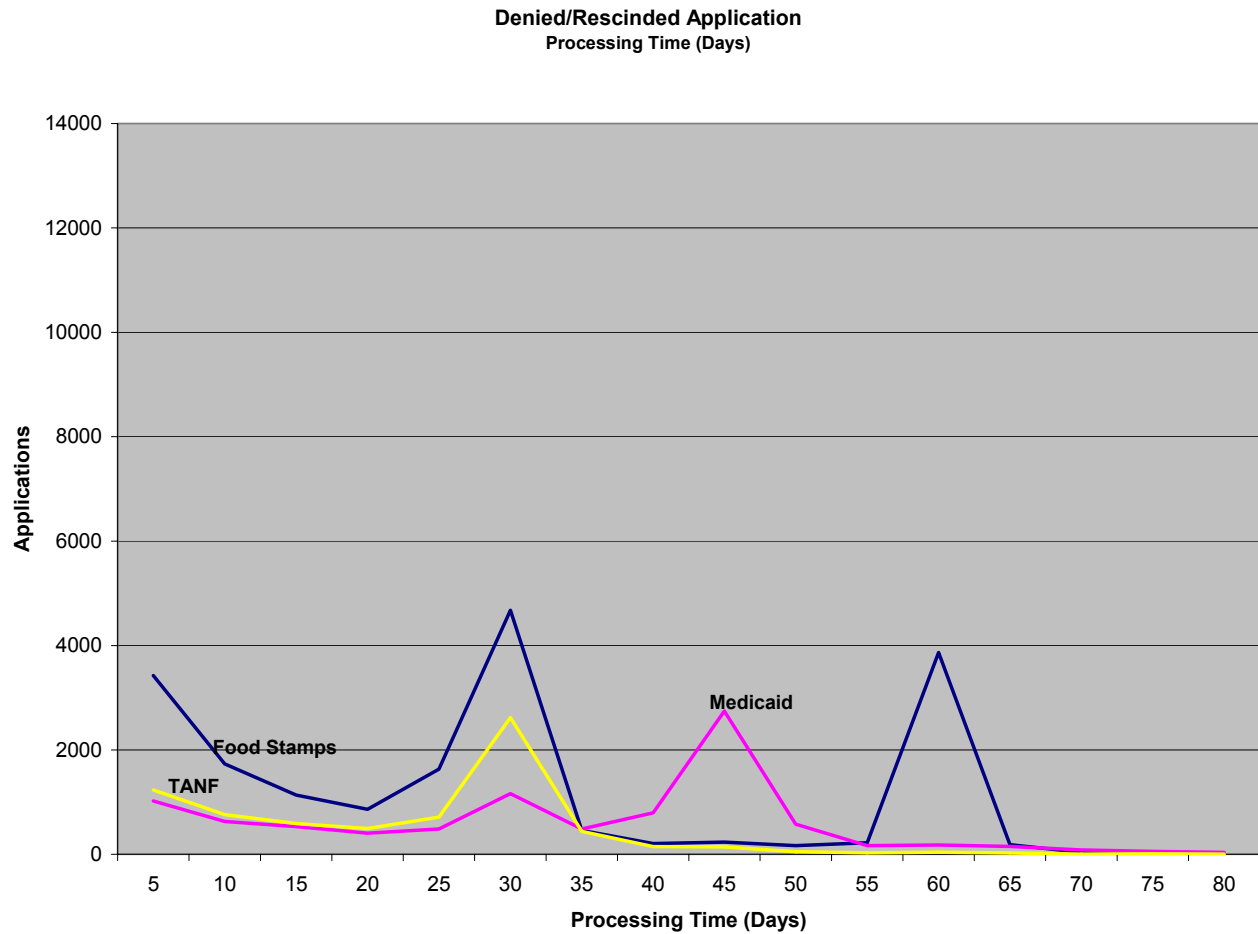
In order to answer Benefit Application service time questions from the BPR team, the VDSS Research department pulled a sample of all Food Stamp, Medicaid and TANF application statistics for October through December 2004 in the ADAPT system. The charts below are provided as a supplement to data provided in the As Is Report.

A distribution of processing times for applications that were **granted** is shown below. The vast majority of them were processed with 30 days, with a large percentage of Food Stamp applications in the first five to ten days.



Source: Sample of Applications Oct - Dec, 2004 from ADAPT system

The processing time distribution for **denied** applications is shown below.



Source: Sample of Applications Oct - Dec, 2004 from ADAPT system

3.6.2. Staff Time Allocation (Random Moment Sampling)

In order to have a tool for allocating locality administration costs by program where they cannot be directly assigned, Virginia Social Services has implemented a statewide system of Random Moment Sampling (RMS) for Locality employees for Benefit and Service delivery. In this program, 2149 benefits employees and 1709 services employees are contacted at intervals by an observer, that records the program and work task they are performing at the time. The sampling is performed on a statistical basis with enough frequency that the observations collectively provide a reasonably accurate picture of how direct staff time is spent in the Localities.

Samples include program work time as well as breaks, vacation, and administration activities not related to delivery of program services. The Hornby Zeller study of 2000 found the following distribution between program work time and other time usage for direct staff:

Time Distribution		
	Percent of Time	Hours per Month
Case Specific	60.36%	103.8
Program-related, Non-case Specific	2.60%	4.5
Training	4.92%	8.5
Administration	15.98%	27.5
Leave	16.13%	27.8

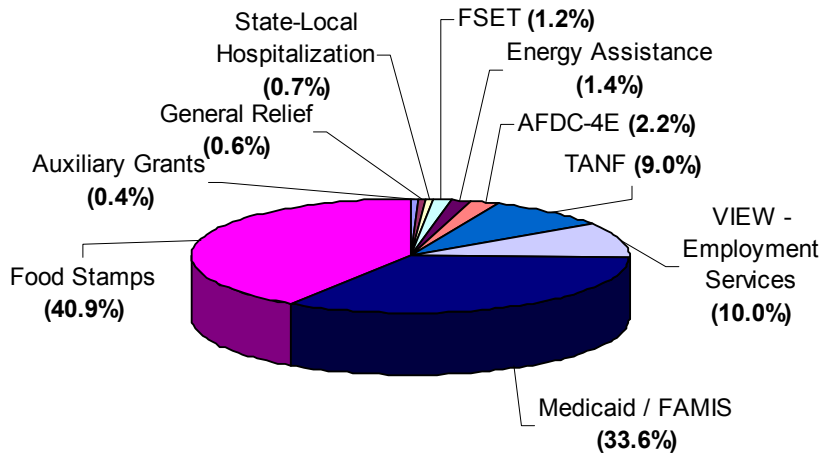
Sample observations for CY 2004 were tabulated for case-specific time, and the results are shown below by Program and by Work Activity for Benefits and for Services. Note that **Foster Care is understated** in services because there are an additional 255 employees, mostly in Foster Care, that are exempt from Random Moment Sampling.

3.6.2.1. Results By Program:

CY 2004 Benefits RMS Observations

By Program

(Percentage of Program Work Time)

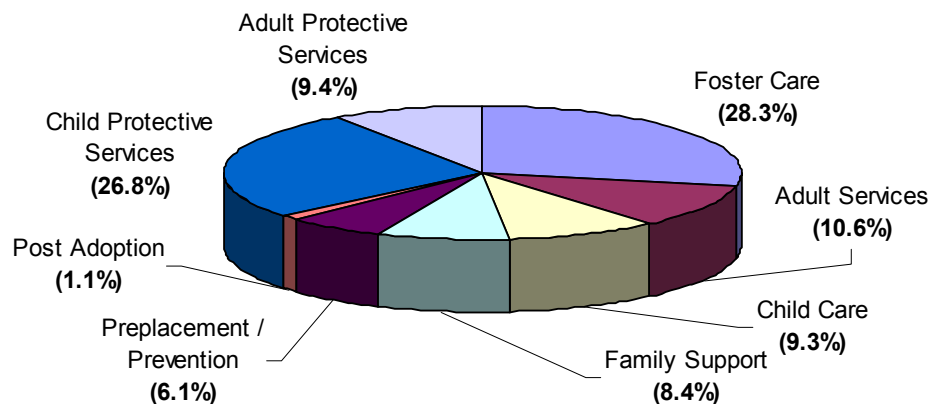


Source: CY 2004 RMS data - 12,678 Observations (2149 employees)
Excludes administration, non program-related, and non work-time

CY 2004 Services RMS Observations

By Program

(Percentage of Program Work Time)



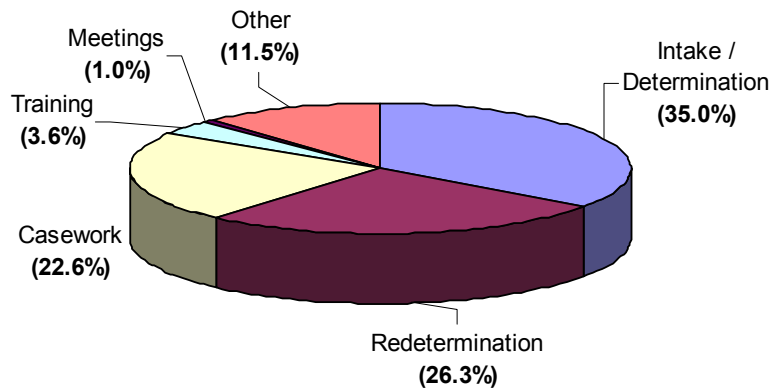
Source: CY 2004 RMS data - 8,684 Observations (255 of 1964 employees are exempt)
Excludes administration, non program-related, and non work-time

3.6.2.2. Results By Work Activity

CY 2004 Benefits RMS Observations

By Activity

(Percentage of Program Work Time)

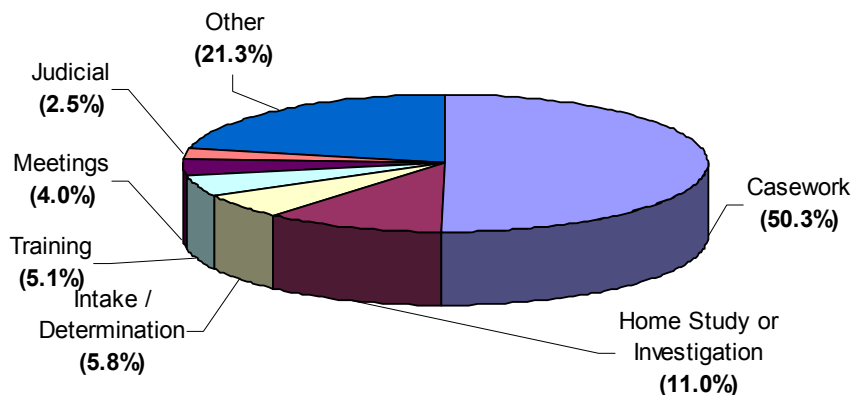


Source: CY 2004 RMS data - 12,830 Observations (2149 employees)
Excludes administration, non program-related, and non work-time
Includes general meetings and training time

CY 2004 Services RMS Observations

By Activity

(Percentage of Program Work Time)



Source: CY 2004 RMS data - 9,027 Observations (255 of 1964 employees are exempt)
Excludes administration, non program-related, and non work-time
Includes general meetings and training time

APPENDIX